

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3917-02
BILL NO.: SB 906
SUBJECT: Health Care; Health Care Professionals; Medical Procedures and Personnel;
 Health Department; Crimes and Punishment; Consumer Protection
TYPE: Original
DATE: February 21, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$80,288)	(\$116,884)	(\$119,901)
Total Estimated Net Effect on <u>All</u> State Funds	(\$80,288)	(\$116,884)	(\$119,901)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

***Revenues and expenditures of less than \$100,000 annually net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government			

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health** and the **Department of Labor and Industrial Relations** assume this proposal would not fiscally impact their agencies.

Department of Social Services - Division of Aging (DOA) officials assumed for purposes of this fiscal note the submittal of written reports required under this proposal would be to DOA's Central Registry Unit and reports alleging or indicating regulatory violations or violations of state law would continue to require investigation by DOA. DOA states that since those individuals identified in the proposal are mandated reporters under the abuse and neglect standards, DOA assumes those reports would continued to be called "immediately" to the Central Registry. DOA assumes the incidences reported to the facility designee would not qualify as abuse, neglect, or exploitation. DOA also assumes the proposal intended for the Department of Health and DOA to review and determine whether the facility correctly categorized the report, whether the action taken was adequate to address the issue(s), and further investigation would be required where an abuse/neglect/exploitation incidence was misreported or where additional investigation would be warranted when a facility action does not appear to have been sufficient to address the issue(s).

DOA states they annually receive approximately 7,400 complaints related to residents in the 1,230+ long-term care facilities licensed under section 198, RSMo. DOA believes as result of the internal facility reporting process providing facility staff an opportunity to report incidences that do not rise to the level of abuse, neglect, or exploitation to the designated representative for investigation and appropriate action that staff would begin to report at an increased rate. Currently 33% (2,442) of reports received by DOA are from facility employees. With the new internal facility reporting process and a definition that includes issues that do not rise to the level of abuse, neglect, or exploitation, DOA assumes the number of written reports received from facility staff could increase by one-half resulting in an additional 1,220 written reports per year with approximately 366 (30%) of the additional reports requiring further investigation by DOA staff. DOA states that on average a complaint investigation requires ten hours of staff (10 hours x 366 reports = 3,660 additional hours / 1840 hours/FTE = 2) resulting in the need for two (2) additional Facility Advisory Nurse II positions for conducting report follow-up and investigations. These two positions would be located one each in St. Louis and Kansas City regional offices.

Oversight has reduced the personal services costs to reflect current beginning expenditures for new positions.

ASSUMPTION (continued)

Officials from the **Department of Health (DOH)** state they received 396 complaints last year, mostly from patients and families of patients, without advertising. DOH states this proposal would require various health care facilities to display posters indicating employees can lodge complaints against their employers without fear of reprisals. DOH states there are approximately 10,000 employees in the 134 hospitals, 50 ambulatory surgical centers and 62 skilled nursing facilities. DOH anticipates this proposal would generate at least 75% more complaints than last year, or approximately 300 complaints. DOH estimates this would be a total of 700 complaints annually. The three professional FTE requested would be required to review all of the submitted data for the additional 300 plus complaints. This would also require investigation of complaints not appropriately acted upon by healthcare facilities as required by this proposal. The three professional FTE would require normal space and equipment required for professional staff. The Clerk Typist II would provide various kinds of clerical support for the professional staff. This Clerk Typist II FTE would require normal space and equipment for this employee.

Oversight has reduced the requested FTE to one Health Nursing Facility Consultant to investigate the additional 300 complaints. Oversight has reduced the personal services costs to reflect current beginning expenditures for new positions. **Oversight** has reduced the requested rent expense to reflect this request being handled through the regular appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Costs - Department of Health

Personal services (1 FTE)	(\$33,780)	(\$41,549)	(\$42,588)
Fringe benefits	(\$10,387)	(\$12,776)	(\$13,096)
Expense and equipment	<u>(\$15,466)</u>	<u>(\$10,836)</u>	<u>(\$11,160)</u>
Total <u>Costs</u> - Department of Health	<u>(\$59,633)</u>	<u>(\$65,161)</u>	<u>(\$66,844)</u>

Costs - Department of Social Services -
 Division of Aging

Personal services (.92 FTE)	(\$8,048)	(\$32,998)	(\$33,822)
Fringe benefits	(\$2,475)	(\$10,147)	(\$10,400)
Expense and equipment	<u>(\$10,132)</u>	<u>(\$8,578)</u>	<u>(\$8,835)</u>
Total <u>Costs</u> - DOS - Division of Aging	<u>(\$20,655)</u>	<u>(\$51,723)</u>	<u>(\$53,057)</u>

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

<u>(\$80,288)</u>	<u>(\$116,884)</u>	<u>(\$119,901)</u>
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FEDERAL FUNDS

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>Income - Department of Social Services -</u>			
<u>Division of Aging</u>			
Medicaid reimbursements	\$22,485	\$59,225	\$60,749
<u>Costs - Department of Social Services -</u>			
<u>Division of Aging</u>			
Personal services (1.08 FTE)	(\$9,448)	(\$38,736)	(\$39,705)
Fringe benefits	(\$2,905)	(\$11,911)	(\$12,209)
Expense and equipment	<u>(\$10,132)</u>	<u>(\$8,578)</u>	<u>(\$8,835)</u>
Total <u>Costs</u> - DOS - Division of Aging	<u>(\$22,485)</u>	<u>(\$59,225)</u>	<u>(\$60,749)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small health care facilities may be fiscally impacted to the extent they would incur additional administrative costs as a result of the requirements of this proposal.

DESCRIPTION

This proposal would protect health care employees who report abuses by health care facilities. A new Section 197.760 would allow employees of health care facilities who have reasonable cause to believe that the quality of care or safety of patients has been compromised to report the problem to the facility or to the Department of Health, Division of Aging, or other appropriate agency. Any administrator or supervisor who receives the report would investigate and respond DESCRIPTION (continued)

within 7 days. Reports would be made by employees in good faith and would be kept confidential. The health care facility would be prohibited from discouraging the report or retaliating against the employee. If an employee would be retaliated against, this proposal would

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allow a civil action, with penalties of up to \$3,000. If the retaliation or abuse continues and threatens the health or safety of staff or patients, then the violator could be guilty of a Class D felony.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Department of Mental Health
Department of Social Services
Department of Labor and Industrial Relations



Jeanne Jarrett, CPA
Director
February 21, 2000