

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 4273-02  
BILL NO.: SB 947  
SUBJECT: Health Care; Health Care Professionals; Health Department; Health, Public  
TYPE: Original  
DATE: February 17, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$15,109)	(\$41,384)	(\$47,931)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$15,109)</b>	<b>(\$41,384)</b>	<b>(\$47,931)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Social Services** and the **Department of Mental Health** assume this proposal would not fiscally impact their agencies.

**Department of Health (DOH)** officials state the proposal would require the department to monitor, license and investigate complaints of all providers of in-home care within the state. Currently only home health agencies are licensed by the DOH. DOH states there are approximately 471 providers of in-home care that are currently unlicensed and without oversight as they do not meet the above definition of a home health agency. DOH further states this number is an approximation arrived at by counting the number of in-home providers advertising in the yellow pages of 169 phone books covering all areas of the state. DOH states there was no other source from which to gain an accurate count of such providers as they are not required to report to anyone.

DOH states there are currently 216 licensed home health agencies in the state. The proposal would require the department to additionally monitor/license/survey approximately 471 in-home care providers. DOH assumes that to add this number of providers would require the additional staff of two Clerk Typists II (based upon current workload) and eight Health Facility Nursing Consultants (annual average survey caseload 40 - 50 per surveyor) to complete these processes.

DOH states that currently they collect a \$600 license fee from the 216 home health agencies licensed in the state. This proposal would allow DOH to collect a license fee from all providers of home care that meet the requirements of this proposal and the regulations developed to implement it. DOH assumed the annual fees of \$600 for home health companies, \$300 for professional home care companies, and \$100 for para-professional home care companies. DOH estimates of the 471 currently unlicensed in-home care providers approximately 298 would be charged \$600, approximately 85 would be charged \$300, and approximately 88 would be charged \$100, for an increase in state revenue of \$213,100 to the General Revenue Fund.

**Oversight** assumes that four Health Facility Nursing Consultants and one Clerk Typist II would be sufficient staff to license and inspect the proposed licensees.

**This proposal would result in a increase in Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>GENERAL REVENUE FUND</b>			
<u>Income - Department of Health</u>			
License fees	\$213,100	\$213,100	\$213,100
<u>Cost - Department of Health</u>			
Personal service (5 FTE)	(\$149,380)	(\$166,196)	(\$170,351)
Fringe benefits	(\$45,934)	(\$51,105)	(\$52,383)
Expense and equipment	<u>(\$32,895)</u>	<u>(\$37,183)</u>	<u>(\$38,297)</u>
Total <u>Cost</u> - Department of Health	<u>(\$228,209)</u>	<u>(\$254,484)</u>	<u>(\$261,031)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$15,109)</u></b>	<b><u>(\$41,384)</u></b>	<b><u>(\$47,931)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small in-home care providers would expect to be fiscally impacted due to licensing costs and administrative duties required by this proposal.

DESCRIPTION

This proposal would revise the licensure of home health care companies under the Department of Health. Section 197.400 would revise definitions relating to home health. Three new categories of home health services would be created: 1) paraprofessional home care category: services that would be unskilled in nature and would include certain limited nursing services and would require a plan or care or signed order. 2) home health category: services that would meet Medicare home health standards. 3) professional home care category: services that would be skilled in nature and would provide by a health care professional that would require a plan of care or signed order. Section 197.405 would prohibit any provider from holding itself out as any category of home health company without a license. Section 197.410 would require annual renewal of licenses. The Department would review each application and inspect the company for DESCRIPTION (continued)

compliance at least once a year during the first three years of contract and at least once every other year during the following three years. Section 197.415 would allow the Department to issue temporary operating permits during the application review process, if necessary. Licenses issued to the company must be posted and must state the category of licensure, among other requirements. Companies would notify the Department of relocation in order to revise the license. The Department would accept reviews of other federal or state agencies in lieu of its own review if such reviews comply with Department requirements. Section 197.420 currently prohibits a license transfer and, instead, would require a new license to be issued. New language would allow the issuance of temporary operating permits during the review of companies who have changed ownership. Section 197.422 would require the submission of statistical reports by all companies. Sections 197.425 and 197.430 currently allow the Department to make additional inspections of the company and to make reports of the inspection. New language would allow the Department to also investigate complaints and would provide written statements of the results. Section 197.435 currently allows the registration of complaints against companies in writing. New language would allow oral complaints as well. The Department would investigate all complaints and would prepare written statements of its findings. A list of deficiencies would be provided to the company within fifteen days. The company would file a plan of correction or appeal the findings. Section 197.440 currently deals with suspension and revocation of licenses. New language would provide for prompt and increased sanctions for repeated incidences. A company may not reapply for licensure for six months following sanctions. Licenses would not be awarded to persons convicted of offenses related to home care. The Department may waive these restrictions for good cause. Section 197.445 would give the Department rulemaking authority and requires rules for the three categories of home care services. Section 197.450 would create the Home Care Advisory Council to consist of ten members. The Council would meet twice a year. Section 197.460 would exempt certain home care companies from this proposal. Sections 197.470 and 197.477 would provide for public examination of inspection report, if client confidentiality is maintained. No access to reports would be allowed until an investigation is completed.

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

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Department of Health  
Department of Social Services  
Department of Mental Health

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with some loops and flourishes.

Jeanne Jarrett, CPA  
Director  
February 17, 2000