

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4144-04
Bill No.: SB 1052
Subject: Elderly; Nursing and Boarding Homes; Health Dept.; Health Care; Health Care Professionals.
Type: Original
Date: February 11, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$177,868)	(\$190,100)	(\$194,928)
Total Estimated Net Effect on <u>All</u> State Funds	(\$177,868)	(\$190,100)	(\$194,928)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Division of Fire Safety (DPS-DFS)** stated the DPS-DFS would contract for one part-time temporary clerk in order to assist with absorbing this additional workload for the Units' one Clerk Typist III. This individual would be responsible for the entering of inspection reports into the data base.

Oversight assumes the DPS-DFS could absorb the additional duties with existing staff.

Officials from the **Office of the Secretary of State (SOS)** state this bill defines and regulates assisted living facilities in the state. The Department of Social Services may promulgate rules to implement this legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Social Services could require as many as 6 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$369 [(6 pp x \$27) + (9 pp x \$23)].

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Social Services** and **Office of State Courts Administrator** assume the proposed legislation will not fiscally impact their organizations.

Officials from the **Office of Prosecution Services** assume costs associated with the proposed legislation can be absorbed within existing resources.

Officials from the **Department of Mental Health (DMH)** stated the legislation assigns some basic requirements and accountability for providers of assisted living services, and requires a registry for these providers. There is only one category of provider that DMH licenses that potentially could fall into this "multi-unit housing with services" definition and that is the DMH semi-independent apartment living license. There are only 3 such facilities in the state in this category. The way the multi-unit housing is ASSUMPTION (continued)

defined we assume it applies to no other programs licensed or certified by the DMH. There would be no fiscal impact upon the DMH.

Officials from the **Department of Health and Senior Services (DOH)** provided the following assumptions.

198.015.2 This legislation would reduce the license period for long-term care facilities from two years to 18 months. Currently, there are approximately 1,200 long-term care facilities licensed by the DOH. Changing the license period for long-term care facilities from two years to 18 months would directly impact the workload of staff responsible for reviewing, processing and issuing these licenses. Before a license is issued or renewed, a staff accountant must review each application and supporting documentation. This review includes analyzing such documents as financial statements, tax returns, cost reports, deeds of trust and management agreements. Clerical staff are responsible for processing applications and issuing licenses after approval by the accounting staff. It is estimated that shortening the licensure period would increase the unit's workload by approximately 25%. To ensure the DOH is able to complete the licensure process in a timely manner, we believe an additional accountant II and clerk typist II are needed.

It is the assumption of the DOH that reducing the licensure period from two years to 18 months would require the department to change the state regulations which outline the fee structure for long term care licensure. It is assumed that the license fees would be prorated to align with the new license period.

198.016.1 This new legislation requires the DOH to register multi-unit housing with services facilities. The industry estimates that there are currently an estimated 200 multi-unit housing with services facilities in Missouri.

DOH would request a facility surveyor II and a clerk typist II to ensure facilities with multi-unit housing services comply with registration requirements. These positions would oversee registration, promulgate rules and regulations, ensure facility compliance with established rules, investigate complaints, and complete all phases of the registration process.

FISCAL IMPACT - State Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

GENERAL REVENUE FUND

HW-C:LR:OD (12/01)

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Costs - Department of Health and Senior Services</u>			
Personal Service Costs (4 FTE)	(\$93,583)	(\$115,106)	(\$117,984)
Fringe Benefits	(\$33,699)	(\$41,450)	(\$42,486)
Equipment and Expense	<u>(\$50,586)</u>	<u>(\$33,454)</u>	<u>(\$34,458)</u>
Total <u>Cost</u> - Department of Health and Senior Services	<u>(\$177,868)</u>	<u>(\$190,010)</u>	<u>(\$194,928)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$177,868)</u>	<u>(\$190,100)</u>	<u>(\$194,928)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses may incur costs to become compliant with fire safety ordinances. The net effect is unknown.

DESCRIPTION

This act defines and regulates assisted living facilities in the state.

New definitions are added for "Alzheimer's disease," "assisted living facility", "dementia", and "multi-unit housing with services" (Section 198.006). Current law requires licensure of long term care facilities and allows a license to be issued for up to two years. This act reduces that time period to eighteen months (Section 198.015).

A new section requires multi-unit housing with services (multi-unit) facilities to register with the Department of Health and Senior Services. Such facilities must submit a disclosure statement describing their operation and must submit an application for registration. If no local and fire safety ordinances exist, then the fire and safety requirements for license-exempt facilities registered under Chapter 210, DESCRIPTION (continued)

RSMo, will apply. The Department may visit to determine compliance, but residents must be

notified that the Department will not regularly do so. If the Department finds non-compliance, it shall give twenty days notice to the facility. If the facility does not become compliant within twenty days, the Department must notify the prosecutor of the county in which the facility is located or may require the facility to become licensed as a residential care facility.

Residents of multi-unit housing must sign lease agreements and pay rent, which may or may not be subsidized. Supportive services are optional and the resident must choose the care provider. Residents may contract with licensed health care professionals to the same extent available to private citizens. Personal care may be provided by housing management or in-home services providers through a written agreement. Nursing care may be arranged by housing management, but must be provided by licensed providers and may not be combined with housing charges.

Residents may request assistance with medications, which must be stored in the resident's room. The Department may develop rules for the administration of medication. Facilities may ask residents to move in certain situations, for example, if their needs exceed the level of personal care services available. Any assisted living facility must provide an informational document to include updated information on selecting appropriate assisted living and to be given to any person seeking assisted living information. The distribution of this document will be verified by the Department as part of the facility's regular registration (Section 198.016).

Section 198.073, RSMo, is repealed regarding the pathway to safety law for Alzheimer's patients in residential care facilities I and II. New language allows any individual to be a resident of an assisted living facility if the facility has a written plan for the protection of all residents in the event of disasters, for keeping residents in place, for evacuating residents to areas of refuge or from the building (Section 198.073).

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

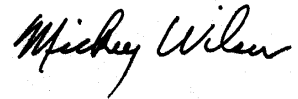
SOURCES OF INFORMATION

Department of Public Safety - Division of Fire Safety
Office of the Secretary of State
Department of Social Services
Office of Prosecution Services

HW-C:LR:OD (12/01)

L.R. No. 4144-04
Bill No. SB 1052
Page 6 of 6
February 11, 2002

Department of Health and Senior Services
Office of State Courts Administrator
Department of Mental Health

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
February 11, 2002