

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1701-02
Bill No.: HB 671
Subject: Elderly; Nursing and Boarding Homes; Social Services Department
Type: Original
Date: March 14, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)** state this legislation mainly relates to the Department of Health and Senior Services (DOH). DMH does provide a program license to RCFs when certain residential population thresholds are reached, such as over half of the residents have a mental health diagnosis or if one resident has a mental retardation diagnosis. The program license is in addition to the DOH required license. The additional clarification of requirements will not have a fiscal impact on DMH.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state there would be no fiscal impact. DMS states this proposal deals with primarily licensing standards bills and will not change the way Medicaid reimburses for care in such facilities.

Officials from the **Department of Health and Senior Services (DOH)** state there is a possibility that current unlicensed assisted living facilities may want to become licensed. However, since that data is not tracked by the DOH, it is unknown how many there currently are and whether they would desire to license.

DOH states this proposal would require DOH to amend existing regulations based upon the

ASSUMPTION (continued)

requirements of the proposal. This proposal broadens the types of individuals that can reside in an RCF I/II or Assisted Living Residence I/II. This could impact the DOH by increasing the amount of time needed to inspect these facilities. Additionally, DOH states because the standard of resident removal from the RCF is more amorphous than the current standard (path to safety), DOH actions to remove a resident from an RCF could take more time and could result in additional discharge hearings.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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GENERAL REVENUE

Cost - Department of Health and Senior Services

Program services	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)
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ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(Unknown, greater than \$100,000)</u>	<u>(Unknown, greater than \$100,000)</u>	<u>(Unknown, greater than \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

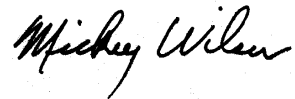
This proposal changes the laws regarding assisted living residences. The term "residential care facility I" as it applies to long-term care provided to the elderly and disabled is changed to "assisted living residence I", and "residential care facility II" is changed to "assisted living residence II." The proposal:

- (1) Defines "assisted living facility I" as a state licensed facility that provides 24-hour care and protective oversight with shelter and board to three or more residents. This care may include the administration of medication during a short-term illness or recuperation;
- (2) Defines "assisted living facility II" as having the same requirements as an assisted living facility I but which also provides the residents assistance with daily-living activities and instrumental activities of daily living;
- (3) Defines the terms "dementia," "residence," "activities of daily living," and "instrumental activities of daily living";
- (4) Requires assisted living facilities I and II to provide 24-hour staff in the appropriate numbers and with adequate skill to care for the needs of the residents and to have an evacuation plan for residents in case of a disaster;
- (5) Requires a resident assessment by a qualified and trained professional upon admission, at least annually, and whenever a resident's condition has required a change;
- (6) Prohibits the residence from accepting an individual who is a danger to self or others, has a risk of elopement, requires physical or chemical restraint, requires more than one person to simultaneously assist in daily activities, or is bed-bound;
- (7) Requires a residence to take the necessary precautions to ensure those individuals with a physical, cognitive, or other impairment can be safely evacuated during an emergency; and
- (8) Requires the Department of Health and Senior Services to develop rules to ensure compliance with the bill.

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 and Senior Services
Department of Social Services
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
Director
March 14, 2005