

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4331-02
Bill No.: SCS for HB 1656
Subject: Health Care; Health Department; Mental Health Department; Nursing and
Boarding Homes
Type: Original
Date: April 15, 2008

Bill Summary: This legislation allows for nursing home transition grants for long-term care residents receiving MO HealthNet.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Fire Safety Standards Loan Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Income and costs of unknown but greater than \$100,000 would net to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety, Office of Administration** and the **Missouri Health Facilities Review Committee** each assume the proposal would have no fiscal impact on their respective agencies.

In response to a previous version of this proposal, officials from the **Office of the Missouri State Treasurer** assume the proposal would have no fiscal impact on their agency.

In response to a previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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** state the transition grant already exists in RSMo Section 208.810 as the "transition to independence grant." This proposal requires that the DHSS Division of Senior and Disability Services (instead of the Division of Vocational Rehabilitation) in cooperation with the DSS establish and administer the grants and seek federal and private grants moneys.

The requirement that the MO HealthNet Division assist with developing information and training on community-based service options for residents transitioning into the community is removed in this proposal.

ASSUMPTION (continued)

Since the transition grant already exists in statute as the Missouri transition to independence grant and there is only a slight change with the removal of the requirement for the MHD to assist with training, the MHD assumes no impact.

Officials from the **Department of Mental Health (DMH)** assumes that there could be a considerable cost for DMH providers to install approved sprinkler systems. It is unknown how many facilities would need sprinklers installed in the year 2013. DMH assumes this cost could be passed from providers to DMH in the form of rate increases. This cost is unknown, but DMH assumes no fiscal impact in the next three years.

The number of DMH clients transitioning from a nursing home back into the community is minimal. This component of the legislation would not result in a fiscal impact to DMH.

Officials from the **Department of Health and Senior Services** assume section 198.074.6 would have an unknown but greater than \$100,000 fiscal impact because more facilities would be eligible for a loan.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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GENERAL REVENUE FUND

Transfer Out - Department of Health and Senior Services

Section 198.074.6 Costs	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)
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FIRE SAFETY STANDARDS LOAN FUND

Transfer In - Department of Health and Senior Services

Transfer from General Revenue	Unknown but Greater than \$100,000	Unknown but Greater than \$100,000	Unknown but Greater than \$100,000
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Costs - Department of Health and Senior Services

Section 198.074.6 Costs	<u>(Unknown but Greater than \$100,000)</u>	<u>(Unknown but Greater than \$100,000)</u>	<u>(Unknown but Greater than \$100,000)</u>
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ESTIMATED NET EFFECT ON FIRE SAFETY STANDARDS LOAN FUND

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2009 (10 Mo.)	FY 2010	FY 2011
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The proposed legislation changes sprinkler system in assisted living facilities requirements.

The proposed legislation changes the laws regarding the assistance provided to nursing home residents who are transitioning back into their communities. Subject to appropriations, MO HealthNet-eligible nursing home residents will receive a one-time transition grant up to \$2,400, administered by the Division of Senior and Disability Services within the Department of Health

FISCAL DESCRIPTION (continued)

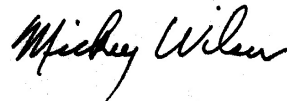
and Senior Services, to spend on housing costs associated with moving a senior citizen or disabled person from a nursing home back to a residence within their community. The Division will work with the Department of Social Services to generate additional funding for the transition grants.

The Department of Health and Senior Services and the Department of Mental Health will work in cooperation to develop community-based services for persons who are moving out of nursing homes and back into their communities.

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

Missouri Health Facilities Review Committee
Office of the Missouri State Treasurer
Office of the Secretary of State
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Department of Public Safety
Office of Administration



Mickey Wilson, CPA
Director
April 15, 2008