

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2089-03
Bill No.: HCS for HB 966
Subject: Health Care; Health Department; Nursing and Boarding Homes
Type: Original
Date: April 10, 2009

Bill Summary: This legislation establishes a dispute resolution process for long-term care facilities cited with a deficiency by the Department of Health and Senior Services.

This legislation encourages long-term care facilities to institute policies to encourage familial involvement in the well-being and support of residents in long-term care facilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 198.089:

In response to a similar proposal from this year (HB 935), officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Social Services** assume the proposal would have no fiscal impact on their agency.

Section 198.527 & 198.545:

Officials from the **Department of Social Services - Family Support Division (FSD)** assume there is no impact to the FSD because these investigations are completed by Department of Health and Senior Services.

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** states the Department of Health and Senior Services ensures the uniformity of application of regulation standards in long-term care facilities throughout the state.

This legislation does not change the reimbursement methodology for long-term care facilities; therefore, there is no fiscal impact to the MHD.

In response to a previous version of this proposal, officials from the **Department of Health and Senior Services (DHSS)** assume this legislation would give the facility the option to request an informal dispute resolution conference with a representative peer review committee for any deficiency received during an inspection of complaint investigation. The Department will establish the representative peer review committee and also keep in place an internal informal dispute resolution (IDR) process in the event the facility does not choose the non-departmental option.

To effectively establish and manage the peer review process including selection, training, scheduling, conducting, and follow up in the time frame required by the legislation, the Department would require an additional Hearings Officer II (Range A-25, step G, \$38,700) and an Administrative Office Support Assistant (Range 15-step F, \$26,784). Although the proposed legislation states the facility shall pay for any costs associated with the non-departmental review process, staff will be required with regulatory and management expertise to guide and facilitate the process.

ASSUMPTION (continued)

Additionally, the legislation mandates an additional review by the DHSS to approve or disapprove the peer review decisions. This would require conduct of a complete review of the case and associated exhibits. The legislation does not indicate who will collect payment if the non-departmental process is used. If the Department is to coordinate the receipt and disbursement of payments, staff will be necessary to review expenses to be paid by the facility, collection of any funds, and appropriate reimbursement of peer review committee members.

Section 198.545 of the proposed legislation states, "Any facility licensed under this chapter shall have the opportunity to contest any deficiency received during an inspection or complaint investigation conducted under sections 198.026 and 198.532 by requesting an informed dispute resolution conference with a representative peer review committee." The current IDR process is performed through a desk review. If the proposed legislation were passed, redundant programs would be maintained by the department: the IDR process through desk review and the IDR process through a peer review committee.

Oversight assumes the DHSS could incorporate the IDR process in legislation with the existing IDR process the DHSS is currently doing. Therefore, Oversight assumes the DHSS could absorb a one Hearings Officer II FTE and one Administrative Office Support Assistant FTE.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Section 198.545.1 states, "If the facility chooses a committee of nondepartmental personnel to perform the peer review, the facility shall pay for any costs associated with such review." If a facility chooses a committee of nondepartmental personnel, it could increase their cost.

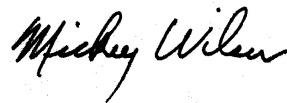
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation could duplicate the informal dispute resolution program in the Department of Health and Senior Services.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services

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

Mickey Wilson, CPA
Director
April 10, 2009