

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4410-01
Bill No.: HB 1558
Subject: Nursing Homes and Long-Term Care Facilities; Political Subdivisions
Type: Original
Date: December 29, 2015

Bill Summary: This proposal changes the laws regarding inspections of certain nursing facilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$173,774)	(\$123,471)	(\$124,580)
Total Estimated Net Effect on General Revenue	(\$173,774)	(\$123,471)	(\$124,580)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Division of Fire Safety (DPS)** state that currently the department provides fire safety inspections of long term care facilities. This proposal expands the Division of Fire Safety's Fire Inspection program for the inspection of nursing home facilities by adding approximately 600 facilities to the Division's authority. These homes currently accept Medicaid patient residents, and therefore receive Medicaid funds. For that reason, they have not been assigned to the Division of Fire Safety in the past, but have instead been inspected by the Department of Health and Senior Services.

These facilities include Assisted Living, Intermediate Care, and Skilled Nursing care facilities with very vulnerable residents. These are typically large facilities with very complex fire alarm systems. Most of these facilities require two inspectors on site during the time of the inspection in order to test the various systems. The fire codes and rules to be followed are extremely technical. Federal funding is often tied to the strict adherence of all the rules.

Although this proposal does allow for the inspection of these facilities by local jurisdictions, most local jurisdictions will not have the manpower or the expertise to conduct such inspection of the complex fire detection system found in these types of facilities.

Based on this information, the Division would need to hire two Fire Safety Inspectors (each at \$36,204) to conduct the inspections of these additional facilities. Related expense and equipment funding would also be requested. Total costs for FY '17 would be \$173,774 and approximately \$125,000 per year thereafter.

Officials from the **Department of Social Services, Department of Natural Resources, Department of Economic Development, and Department of Health and Senior Services (DHSS)** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight inquired whether this would result in a savings to DHSS and was told that it would not, considering DHSS will continue to inspect skilled nursing and intermediate care facilities under the requirements of 198.074.9 RSMo.

Officials from **St. Louis County** assume the current proposal would not fiscally impact their local political subdivision.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost - DPS</u>			
Personal Service	(\$60,340)	(\$73,132)	(\$73,863)
Fringe Benefits	(\$33,305)	(\$40,164)	(\$40,363)
Expense and Equipment	<u>(\$80,129)</u>	<u>(\$10,175)</u>	<u>(\$10,354)</u>
<u>Total Cost - DPS</u>	<u>(\$173,774)</u>	<u>(\$123,471)</u>	<u>(\$124,580)</u>
FTE Change - DPS	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT TO THE GENERAL REVENUE	<u>(\$173,774)</u>	<u>(\$123,471)</u>	<u>(\$124,580)</u>
Estimated Net FTE change for General Revenue Fund	2 FTE	2 FTE	2 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<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.

FISCAL DESCRIPTION

This proposal prohibits an inspection of a nursing home by a political subdivision for compliance with local ordinances except for those pertaining to fire safety, drainage, wastewater, utilities, subdivision, and zoning ordinances. The state fire marshal may authorize and designate a local fire safety agency to conduct all fire safety inspections for such facilities. Such facilities shall receive a safety inspection by either a local fire safety agency or the state fire marshal.

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
Department of Social Services
Department of Natural Resources
Department of Economic Development
Department of Health and Senior Services



Mickey Wilson, CPA
Director
December 29, 2015

Ross Strobe
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December 29, 2015