

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1268H.03P
 Bill No.: Perfected HCS for HB 777
 Subject: Nursing Homes and Long-Term Care Facilities; Health Care
 Type: Original
 Date: April 19, 2023

Bill Summary: This proposal modifies provisions relating to certificates of need.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	(\$145,391)	(\$174,469)	(\$174,469)
Total Estimated Net Effect on General Revenue	(\$145,391)	(\$174,469)	(\$174,469)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§197.305, 197.315, 197.318, 197.321, and 197.330, as amended – Certificate of Need

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation would have an effect on state general revenues for collection of application fees. Section 197.321.2 of the proposed legislation, states that “any application seeking approval of new or additional beds in any intermediate care facility, skilled nursing facility, residential care facility, or assisted living facility may be denied if the minimum average occupancy of all existing licensed beds in the service area is not at least eighty percent for the most recent beds report.” Based on FY 2022 having no CON applications meeting the requirement, this would have resulted in a loss of \$174,469 in state general revenue.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the loss in CON fees as estimated by DHSS. Oversight assumes a 10 month reduction in fees for FY2024.

Officials from the **Attorney General’s Office** and the **Department of Social Services** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to the original version of this proposal, officials from the **Office of the State Courts Administrator** assumed the proposal would have no fiscal impact on their organization. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight only reflects the responses received from state agencies and political subdivisions; however, nursing homes were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE FUND			
<u>Loss – DHSS (\$197.321) – reduction in CON fees</u>	<u>(\$145,391)</u>	<u>(\$174,469)</u>	<u>(\$174,469)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$145,391)</u>	<u>(\$174,469)</u>	<u>(\$174,469)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal may have a fiscal impact on certain small care facility businesses. (§197.321)

FISCAL DESCRIPTION

This bill modifies several provisions relating to certificates of need.

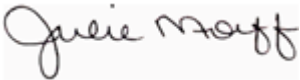
Any application seeking approval or new or additional beds in any intermediate care facility, skilled nursing facility, residential care facility, or assisted living facility shall not be considered if the minimum average occupancy of all existing licensed beds in the service area is not at least at 80% for the most recent beds report.

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

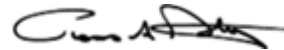
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SOURCES OF INFORMATION

Attorney General's Office
Department of Health and Senior Services
Department of Social Services
Office of the State Courts Administrator



Julie Morff
Director
April 19, 2023



Ross Strobe
Assistant Director
April 19, 2023