

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2920H.011  
 Bill No.: HB 1709  
 Subject: Nursing Homes and Long-Term Care Facilities; Elderly; Department of Health and Senior Services; Health Care  
 Type: Original  
 Date: January 29, 2024

Bill Summary: This proposal creates provisions relating to digital surveillance systems in long-term care facilities.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	(\$878,608)	(\$1,041,155)	(\$1,059,575)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$878,608)</b>	<b>(\$1,041,155)</b>	<b>(\$1,059,575)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
<b>Total Estimated Net Effect on <u>Other State Funds</u></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
General Revenue	8 FTE	8 FTE	8 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>8 FTE</b>	<b>8 FTE</b>	<b>8 FTE</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §198.605 - Provisions relating to digital surveillance systems in long-term care facilities

Officials from the **Department of Health and Senior Services (DHSS)** state §198.605.2 of the proposed legislation requires long-term care facilities to maintain and operate a digital surveillance system on its premises.

Sections 198.605 subsection 3 through 198.605 subsection 11 of proposed legislation outline the surveillance system requirements, along with guidelines on how the video and audio recordings can be distributed and used.

Section 198.605 subsection 12 of proposed legislation requires DHSS to promulgate rules, as well as implement and enforce the provisions of the proposed legislation. It is assumed the Division of Regulation and Licensure's Section for Long Term Care Regulation (SLCR) will require the following additional positions to meet the requirements of the proposed legislation.

One (1) Regulatory Compliance Manager (annual salary of \$85,000) to oversee the promulgation of rules and program enforcement.

Seven (7) Registered Nurses (annual salary of \$75,000 each) will be needed to conduct audits and investigate complaints. These staff are assumed to be telecommuters.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DHSS.

Officials from the **Office of Attorney General (AGO)** assume any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. However, the AGO may seek additional appropriations if there is a significant increase in litigation.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Department of Mental Health**, the **Department of Public Safety - Missouri Veterans Commission**, the **Missouri Office of Prosecution Services**, the **Office of the State Public Defender** and the **Office of the State Courts Administrator** 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.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other nursing homes and public administrators 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.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 \$5,000. 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE</b>			
<u>Costs – DHSS/SLCR (§198.605) p. 3</u>			
Personnel Service	(\$508,333)	(\$622,200)	(\$634,644)
Fringe Benefits	(\$297,157)	(\$361,317)	(\$366,140)
Expense & Equipment	(\$73,118)	(\$57,638)	(\$58,791)
<u>Total Costs - DHSS/SLCR</u>	<u>(\$878,608)</u>	<u>(\$1,041,155)</u>	<u>(\$1,059,575)</u>
FTE Change	8 FTE	8 FTE	8 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$878,608)</u></b>	<b><u>(\$1,041,155)</u></b>	<b><u>(\$1,059,575)</u></b>
Estimated Net FTE Change on General Revenue	8 FTE	8 FTE	8 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

There could be a fiscal impact to small business nursing homes to install and operate surveillance equipment outlined in this proposal. (§198.605)

FISCAL DESCRIPTION

This bill requires long-term care facilities to maintain and operate digital surveillance on their premises, feature continuous, 24-hour video and audio monitoring and recording, and ensure they are placed in a way that ensures the exterior of each entryway into every resident's room is visible and monitored.

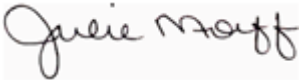
Facilities are required to maintain recordings for a period of time, as to be determined by rule of the Department of Health and Senior Services. Any person who requests a copy of footage may bring a civil action in circuit court against a facility that fails to maintain and operate a digital surveillance system, or that fails to provide a copy of recorded footage as required.

No facility shall be liable for activity or action arising out of the use, by any resident or a resident's family member, guardian, or legal representative, of any copy of a video or audio recording. Except in cases of abuse or neglect, no person shall release any copy of a video or audio recording that has been obtained without getting written permission of the resident or his or her family member, guardian, or legal representative, as well as the facility. (§198.605)

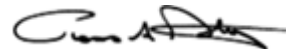
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements, but would require rental space.

SOURCES OF INFORMATION

Attorney General's Office  
Department of Health and Senior Services  
Department of Mental Health  
Department of Public Safety - Missouri Veterans Commission  
Joint Committee on Administrative Rules  
Missouri Office of Prosecution Services  
Office of Administration - Administrative Hearing Commission  
Office of the Secretary of State  
Office of the State Courts Administrator  
Office of the State Public Defender



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