

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1550-01  
Bill No.: HB 540  
Subject: Health Care; Health Care Professionals; Health Department; Nursing and Boarding Homes  
Type: Original  
Date: March 18, 2003

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General	(Unknown greater than \$38,530)	(Unknown greater than \$38,530)	(Unknown greater than \$38,530)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown greater than \$38,530)</b>	<b>(Unknown greater than \$38,530)</b>	<b>(Unknown greater than \$38,530)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Official from the **Missouri Health Facilities Review Committee (MHFRC)** assume that there would be no fiscal impact since the MHFRC does not review continuing care retirement communities.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state this proposal would allow the construction of nursing home beds which currently is not allowed under the Certificate of Need (CON) law. By increasing the number of nursing facility beds to be licensed, the DMS assumes the cost to the Medicaid program would increase. The DMS states the cost is unknown, but greater than \$100,000.

Officials from the **Department of Health and Senior Services (DOH)** did not respond to our fiscal note request. However, in a similar proposal, the DOH assumed that exempting continuing care retirement centers from the certificate of need program may substantially increase the number of these facilities statewide. The DOH assumes any fiscal impact will be related to an increase in the number of these facilities providing residential, intermediate or skilled nursing care that must be licensed and inspected. Therefore, depending on the number of continuing care

retirement communities that may be established that provide residential, intermediate or skilled nursing care, the DOH may need to request additional FTE in the future.

FISCAL IMPACT - State Government                      FY 2004                      FY 2005                      FY 2006

**GENERAL REVENUE**

Costs - Department of Social Services -  
 Division of Medical Services  
 Program costs

( <u>Unknown greater than \$38,530</u> )	( <u>Unknown greater than \$38,530</u> )	( <u>Unknown greater than \$38,530</u> )
--------------------------------------------------	--------------------------------------------------	--------------------------------------------------

**ESTIMATED NET EFFECT ON  
 GENERAL REVENUE**

<b><u>(UNKNOWN GREATER THAN \$38,530)</u></b>	<b><u>(UNKNOWN GREATER THAN \$38,530)</u></b>	<b><u>(UNKNOWN GREATER THAN \$38,530)</u></b>
-----------------------------------------------------------	-----------------------------------------------------------	-----------------------------------------------------------

**FEDERAL**

Income - Department of Social Services -  
 Division of Medical Services  
 Federal Assistance

Unknown greater than \$61,470	Unknown greater than \$61,470	Unknown greater than \$61,470
-------------------------------------	-------------------------------------	-------------------------------------

Costs - Department of Social Services -  
 Division of Medical Services  
 Program costs

( <u>Unknown greater than \$61,470</u> )	( <u>Unknown greater than \$61,470</u> )	( <u>Unknown greater than \$61,470</u> )
--------------------------------------------------	--------------------------------------------------	--------------------------------------------------

**ESTIMATED NET EFFECT ON  
 FEDERAL**

<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
-------------------	-------------------	-------------------

FISCAL IMPACT - Local Government

FY 2004                      FY 2005                      FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal defines "continuing care retirement community" and exempts this type of facility from the certificate of need process for addition of long-term care beds. The proposal also allows owners of continuing care retirement communities to relocate beds from one of their facilities to another or to change the licensure category of beds and relocate them to any of their other continuing care retirement community locations.

This proposal contains an emergency clause.

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  
Department of Social Services

**NOT RESPONDING: Department of Health and Senior Services**



MICKEY WILSON, CPA  
DIRECTOR  
MARCH 18, 2003