

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4134-02
Bill No.: SB 1157
Subject: Disabilities; Elderly; Health Care; Health Care Professionals; Health Department;
Nursing and Boarding Homes
Type: Original
Date: February 20, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services**, the **Department of Mental Health**, and the **Department of Economic Development - Division of Professional Registration** assume this proposal would not fiscally impact their agencies.

Officials from the **Office of the Secretary of State (SOS)** state this proposal changes the name of residential care facilities to assisted living facilities. The Department of Health and Senior Services will promulgate rules to enact this legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Social Services could require as many as 58 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$3,567 in FY 05.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations

ASSUMPTION (continued)

related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Health and Senior Services (DOH)** state DOH maintains the responsibility to inspect licensed nursing facilities throughout Missouri. This proposal would require the facility surveyors/inspectors to monitor each facility for compliance with the additional criteria for assisted living facilities I and IIs. In addition to existing responsibilities, the surveyors/inspectors would be responsible for determining if the assisted living facilities provided the appropriate services to meet the needs of all residents, provided appropriate staffing with appropriate skills to provide the services, maintained a written plan for the protection of all residents in the event of a disaster, and have written verification signed by the resident or legal representative, the resident's physician, and the facility representative stating how the facility will meet the needs of each resident.

The DOH assumes the additional responsibilities will be incorporated into the inspection process and absorbed by existing staff. This legislation would not be expected to fiscally impact the operations of the DOH. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This legislation could have an economic impact on small businesses that operate or own long-term care facilities if they choose to accept or continue to care for an individual that requires services that exceed the services normally provided by the facility.

DESCRIPTION

This proposal changes the name of residential care facilities I and II to assisted living facilities I and II.

An "assisted living facility I" is defined as any licensed facility that provides 24-hour care and protective oversight to three or more residents who need shelter and board.

An "assisted living facility II" is defined as any licensed facility that provides 24-hour care and protective oversight to three or more residents who need shelter, board, and assistance with any activities of daily living (ADL) or any instrumental activities of daily living (IADL).

New definitions for "dementia", "activities of daily living", and "instrumental activities of daily living" are also provided in section 198.006, RSMo.

Assisted living facilities I and II must provide 24-hour staff in appropriate numbers and skill to meet the needs of residents and must have a written plan for evacuating residents in the event of a disaster. Assisted living facilities II may continue to care for residents with dementia who require assistance to evacuate provided that, among other requirements, the resident is assessed by either a licensed professional or an individual with a bachelor's degree in social work.

Individualized service plans, which shall include an evacuation plan, must be implemented for each resident with dementia who requires assistance to evacuate. These plans must be reviewed with the resident at least semi-annually and modified whenever a significant change occurs in the resident's condition that would require additional services.

Any person, who previously qualified for residence due to a temporary illness, surgery, or injury lasting no more than 45 days, may remain in an assisted living facility II as long as it is approved by a physician.

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

Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Secretary of State
Department of Economic Development -
Division of Professional Registration



Mickey Wilson, CPA
Director
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