

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3788-01  
BILL NO.: HB 1615  
SUBJECT: Various Changes to the Division of Aging from House Interim Committee  
TYPE: Original  
DATE: February 2, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	Exceeds (\$230,912)	Exceeds (\$235,315)	Exceeds (\$236,230)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>Exceeds (\$230,912)</b>	<b>Exceeds (\$235,315)</b>	<b>Exceeds (\$236,230)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal	Exceeds (\$220,608)	Exceeds (\$223,543)	Exceeds (\$224,154)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>Exceeds (\$220,608)</b>	<b>Exceeds (\$223,543)</b>	<b>Exceeds (\$224,154)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>Exceeds (\$100,000)</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Office of Attorney General, Department of Mental Health and Department of Public Safety - Missouri Highway Patrol** assume this proposal will not fiscally affect their agencies.

Officials from the **Office of State Courts Administrator (OSCA)** stated the various changes in the laws relating to elderly abuse proposed by this legislation should not have an appreciable impact on the workload of the courts.

Officials from the **Department of Social Services - Division of Legal Services (DLS)** anticipate the new provisions will result in increased litigation and will also require legal assistance in drafting and implementing rules and regulations and internal policies. One additional Attorney (\$34,992) will be needed. The DLS split the costs between state and federal funds at a rate of 60% state and 40% federal.

The DLS also stated that Section 3281 of the State Operations Manual, issued by the US Department of Health and Human Services - Health Care Financing Administration (HCFA), requires that the state survey and certification agency investigate complaints involving an immediate and serious threat to patient health and safety within two working days of receipt. Therefore, it appears this legislation could be, according to the DLS, federally mandated.

Officials from the **Department of Social Services - Division of Family Services (DFS)** stated that they cannot determine a fiscal impact for this proposal. The proposal does not provide any parameters for increasing the income and asset limits for eligibility for the Medicaid population. The DFS is required to process the applications for Medicaid and determine client eligibility. If the Medicaid program is expanded, the DFS would need additional personnel to handle the increased workload. The fiscal impact to both state and federal funds are unknown but expected to exceed \$100,000 annually.

Officials from the **Department of Social Services - Division of Data Processing (DDP)** stated the proposal would increase the number of Medicaid recipients to a level undefined at this time. Should this number increase substantially, additional disk storage and CPU expenses would be incurred by the DDP. **Oversight** assumes that the DDP could absorb any additional storage costs and CPU expenses with existing resources.

ASSUMPTION (continued)

Officials from the **Department of Social Services - Division of Medical Services (DMS)** stated the cost of expanding Medicaid eligibility by increasing the current asset and income limits is unknown. Because the proposal doesn't include any parameters on increasing the asset and income limits; the DFS could not provide the DMS with any new asset or income limits or estimates of new eligible recipients.

The following illustration estimate for the fiscal impact is based on the projected number of new Medicaid eligibles. If the resource limit was increased to \$4,000 for a single applicant and \$6,000 for a married applicant, the estimated annual program cost would total \$109,997,124.

The provision of the proposal that requires the in-home service agencies to provide training on elder abuse and neglect to their employees will not have a fiscal impact on the DMS.

The DMS provided an unknown cost greater than \$100,000 for both state and federal funds relating to this proposal. If the resource limits were raised to the amounts noted by DMS, the DMS predicts a cost of over \$100 million dollars annually. Since **Oversight** cannot predict what level the asset and income limits will be increased, Oversight will reflect the unknown costs provided by the DMS.

Officials from the **Department of Social Services - Division of Aging (DA)** did not respond to our request for fiscal impact. Oversight assumes the proposal will impact the DA. However, the total costs that could be incurred by the DA cannot be reasonably estimated.

Officials from the **Department of Corrections (DOC)** stated that the costs to the DOC for this proposal would be \$0 to minimal. The costs can be absorbed with existing resources.

Officials from the **Office of Prosecution Services** deferred to the Cole County Prosecuting Attorney's Office to provide a response for this proposal. Officials from the **Cole County Prosecuting Attorney's Office (CCPAO)** stated that this proposal is a complete re-write of the existing laws in this subject area. The proposal affects the stealing, assault, and abuse statutes. This will require the local prosecuting attorney offices to re-write forms and instructions related to elder abuse. This will also require an update to the computer network being installed in the prosecutors offices statewide. Although the CCPAO could not give a precise estimate of these costs, the costs are expected to exceed \$100,000 in the first year alone.

**Oversight** will present a cost of over \$100,000 for FY 01 for the various prosecuting attorneys statewide which will be reflected in local government funds for fiscal note purposes.

ASSUMPTION (continued)

GCB:LR:OD:005 (9-94)

Officials from the **Office of State Public Defender (SPD)** stated that for the purpose of this proposal, the SPD has assumed that existing staff could provide representation for those 10 to 25 cases arising where indigent persons were charged with failure to report elder abuse, false reporting of elder abuse or neglect in a nursing home. However, passage of more than one similar proposal would require the SPD to request increased appropriations to cover cumulative costs of representing the indigent accused in the additional cases.

Officials from the **Office of Secretary of State (SOS)** stated this proposal makes major changes in the statutes dealing with the care and abuse of the elderly. Based on experience with other divisions, the rules, regulations and forms issued by the Division of Aging could require as many as approximately 64 pages in the *Code of State Regulations*.

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

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Social Services -</u>			
<u>Division of Aging</u>			
Increased Costs for Additional Personnel and Related Expense and Equipment Items	(Unknown)	(Unknown)	(Unknown)
<u>Costs - Department of Social Services -</u>			
<u>Division of Medical Services</u>			
Increased Medicaid Costs Due to Increase in Asset and Income Limits	More than (\$100,000)	More than (\$100,000)	More than (\$100,000)

Costs - Department of Social Services -  
Division of Family Services

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
Increased Personnel and Expense and Equipment Cost from Increasing Asset and Income Limits	Exceeds (\$100,000)	Exceeds (\$100,000)	Exceeds (\$100,000)
<u>Costs - Department of Social Services - Division of Legal Services</u>			
Personal Service (1 FTE at 60%)	(\$17,926)	(\$22,058)	(\$22,610)
Fringe Benefits	(\$5,512)	(\$6,783)	(\$6,952)
Expense and Equipment	(\$7,474)	(\$6,474)	(\$6,668)
Total <u>Costs</u> - Div. of Legal Services	(\$30,912)	(\$35,315)	(\$36,230)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>Exceeds <u>(\$230,912)</u></b>	<b>Exceeds <u>(\$235,315)</u></b>	<b>Exceeds <u>(\$236,230)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Costs - Department of Social Services - Division of Aging</u>			
Increased Costs for Additional Personnel and Related Expense and Equipment Items	(Unknown)	(Unknown)	(Unknown)
<u>Costs - Department of Social Services - Division of Medical Services</u>			
Increased Medicaid Costs Due to Increase in Asset and Income Limits	More than (\$100,000)	More than (\$100,000)	More than (\$100,000)
<u>Costs - Department of Social Services - Division of Family Services</u>			
Increased Personnel and Expense and Equipment Cost from Increasing Asset and Income Limits	Exceeds (\$100,000)	Exceeds (\$100,000)	Exceeds (\$100,000)
<u>Costs - Department of Social Services -</u>			

**FEDERAL FUNDS**

Division of Legal Services

Personal Service (1 FTE at 40%)	(\$11,951)	(\$14,705)	(\$15,073)
Fringe Benefits	(\$3,675)	(\$4,522)	(\$4,635)
Expense and Equipment	(\$4,983)	(\$4,316)	(\$4,446)
Total <u>Costs</u> - Div. of Legal Services	<u>(\$20,608)</u>	<u>(\$23,543)</u>	<u>(\$24,154)</u>

**ESTIMATED EFFECT  
ON FEDERAL FUNDS**

<b>Exceeds</b>	<b>Exceeds</b>	<b>Exceeds</b>
<u><b>(\$220,608)</b></u>	<u><b>(\$223,543)</b></u>	<u><b>(\$224,154)</b></u>

FISCAL IMPACT - Local Government

FY 2001	FY 2002	FY 2003
(10 Mo.)		

**LOCAL GOVERNMENT FUNDS**

Costs - Prosecuting Attorneys

Upgrades to Computer Systems, Forms and Instruction Changes	Exceeds <u>(\$100,000)</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED EFFECT ON LOCAL  
GOVERNMENT FUNDS**

<b>Exceeds</b>		
<u><b>(\$100,000)</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

Small businesses may be required to hire more patient care staff in order to implement corrective actions relating to staffing.

DESCRIPTION

This proposal modifies the law relating to protection of the elderly. The proposal:

- (1) Creates a new chapter on protection of the elderly and transfers several existing statutory sections to this chapter;
- (2) Requires reports of suspected elder abuse to be referred to the appropriate law enforcement agency. Current law requires only substantiated reports to be referred. The Division of Aging is also required to investigate immediately any report of elder abuse or neglect that involves a threat of imminent harm;

- (3) Requires the division and law enforcement agencies to cross-train personnel in investigating cases of suspected elder abuse;
- (4) Requires the division to establish in one area of the state a pilot project using a telephone check-in system to monitor the arrival and departure of staff providing in-home services;
- (5) Allows the Attorney General to obtain investigative subpoenas and search warrants in connection with investigations of abuse cases;
- (6) Authorizes the division, when confronted with violations or deficiencies related to staffing, to implement corrective actions such as staffing ratios, training plans, or plans related to staff supervision. The division may require corrective action regardless of whether the deficiency or violation is corrected;
- (7) Requires the division to terminate the employment of a division employee who knowingly discloses the time of an unannounced inspection of a facility licensed by the division;
- (8) Requires the Department of Social Services to increase the current asset and income limits for Medicaid eligibility;
- (9) Allows a statement made by an elderly or disabled person near the time of an alleged crime to be admitted as evidence in criminal proceedings if the person is unavailable as a witness due to the person's physical or mental condition and the court believes the person's statement to be reliable;
- (10) Authorizes staff of the department, in any action brought by the department relating to the care and protection of an eligible adult, to have access to all medical and mental health records of

DESCRIPTION(continued)

the eligible adult; and

- (11) Requires training on elder abuse and neglect for all employees providing in-home services through contracts with the department.

This legislation may be 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 Social Services  
Department of Mental Health  
Office of State Courts Administrator  
Office of Prosecution Services  
Office of State Public Defender  
Office of Attorney General  
Department of Corrections  
Department of Public Safety - Missouri Highway Patrol  
Office of Secretary of State

NOT RESPONDING

**Division of Aging**



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Director  
January 2, 2000