

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4048-01
BILL NO.: HB 1689
SUBJECT: Health Care; Health Care Professionals; Health Department
TYPE: Corrected*
DATE: February 17, 2000

*To correct totals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$15,109)	(\$41,384)	(\$47,931)
Total Estimated Net Effect on <u>All</u> State Funds	(\$15,109)	(\$41,384)	(\$47,931)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services** and the **Department of Mental Health** assume this proposal would not fiscally impact their agencies.

Department of Health (DOH) officials state the proposal would require the department to monitor, license and investigate complaints of all providers of in-home care within the state. Currently only home health agencies are licensed by the DOH. DOH states there are approximately 471 providers of in-home care that are currently unlicensed and without oversight as they do not meet the above definition of a home health agency. DOH further states this number is an approximation arrived at by counting the number of in-home providers advertising in the yellow pages of 169 phone books covering all areas of the state. DOH states there was no other source from which to gain an accurate count of such providers as they are not required to report to anyone.

DOH states there are currently 216 licensed home health agencies in the state. The proposal would require the department to additionally monitor/license/survey approximately 471 in-home care providers. DOH assumes that to add this number of providers would require the additional staff of two Clerk Typists II (based upon current workload) and eight Health Facility Nursing Consultants (annual average survey caseload 40 - 50 per surveyor) to complete these processes.

DOH states that currently they collect a \$600 license fee from the 216 home health agencies licensed in the state. This proposal would allow DOH to collect a license fee from all providers of home care that meet the requirements of this proposal and the regulations developed to implement it. DOH assumed the annual fees of \$600 for home health companies, \$300 for professional home care companies, and \$100 for para-professional home care companies. DOH estimates of the 471 currently unlicensed in-home care providers approximately 298 would be charged \$600, approximately 85 would be charged \$300, and approximately 88 would be charged \$100, for an increase in state revenue of \$213,100 to the General Revenue Fund.

Oversight assumes that four Health Facility Nursing Consultants and one Clerk Typist II would be sufficient staff to license and inspect the proposed licensees.

This proposal would result in a increase in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Income - Department of Health</u>			
License fees	\$213,100	\$213,100	\$213,100
<u>Cost - Department of Health</u>			
Personal service (5 FTE)	(\$149,380)	(\$166,196)	(\$170,351)
Fringe benefits	(\$45,934)	(\$51,105)	(\$52,383)
Expense and equipment	<u>(\$32,895)</u>	<u>(\$37,183)</u>	<u>(\$38,297)</u>
Total <u>Cost</u> - Department of Health	<u>(\$228,209)</u>	<u>(\$254,484)</u>	<u>(\$261,031)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$15,109)</u>	<u>(\$41,384)</u>	<u>(\$47,931)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small in-home care providers would expect to be fiscally impacted due to licensing costs and administrative duties required by this proposal.

DESCRIPTION

This proposal would revise provisions pertaining to licensure of home health agencies. In its main provisions, the proposal would: (1) Revise certain definitions pertaining to home health and contains new definitions which include branch offices, home care companies, paraprofessional home care companies, professional home care companies, and survey inspections; (2) Require home health companies and other entities that provide client services to maintain a location within Missouri and to obtain a valid license from the Department of Health; (3) Require such licenses to be renewed annually and specifies the conditions and requirements of licensure renewals; (4) Specify the conditions (including change of ownership) under which a temporary operating permit would be issued by the department; (5) Specify posting requirements for licenses; (6) Specify the content of the licenses; (7) Specify conditions requiring home care
DESCRIPTION (continued)

companies to contact the department if such companies relocate within the state; (8) Specify requirements under which written reports of survey inspections would be accepted by the department; (9) Require licensed home care companies to submit statistical reports to the department; (10) Allow the department to conduct other inspections, surveys, or complaint investigations of home care companies and specifies the requirements for conducting inspections and a reinspection of home care companies; (11) Require the preparation of a written report based on an inspection and a plan of corrective actions taken by home care companies if deficiencies are found; (12) Allow home care companies to seek a review by the Administrative Hearing Commission of deficiency findings by the department after a re-inspection; (13) Allow home care companies to receive immediate sanctions by the department if clients are in immediate jeopardy; (14) Specify procedures the department would use to investigate complaints; (15) Require employees of home care companies to report evidence of abuse, neglect, or exploitation of clients; (16) Specify conditions under which the department would refuse to issue a license or suspend or revoke the license of home care companies; (17) Specify that during the application for or the renewal of a license, the department could have access to records of an operator, owner, or principal in the operation of a home care company who has been found guilty, who pleads guilty, or who enters a plea of nolo contendere (no contest) to certain offenses; (18) Contain a good cause waiver provision to the licensure sanctioning requirements for owners, operators, or principals who operate home care companies; (19) Require the department to develop separate licenses and regulations for categories of home care companies; (20) Change the name of the Home Health Services Advisory Council to the Home Care Advisory Council and specifies the composition of the council, the times, and form of council meetings; (21) Specify the persons, providers, and entities exempted from the provisions of the proposal; (22) Specify the conditions in which reports and inspections would be required to be accessible to the public; and (23) Specify the conditions and requirements of disclosing confidential medical, personal, and financial records of clients who receive services from a home care company.

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

Department of Health

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

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Department of Social Services
Department of Mental Health

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
February 17, 2000