

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2203-01
Bill No.: HB 887
Subject: Elderly; Health Care; Health Department; Nursing and Boarding Homes
Type: Original
Date: April 20, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(\$821,230)	(\$996,973)	(\$1,026,444)
Total Estimated Net Effect on General Revenue Fund	(\$821,230)	(\$996,973)	(\$1,026,444)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **Department of Health and Senior Services (DOH)** state Section 198.532.2 would require the DOH to publish results of investigations into complaints that allege harm has occurred or is likely to occur to a resident or residents of the facility due to actions or the lack of actions taken by the facility in a newspaper of general circulation distributed in the county in which the facility operates.

In FY '04, DOH, Division of Senior Services and Regulation, Section for Long Term Care (Section) conducted 3,165 investigations into complaints that alleged harm has occurred or is likely to occur to a resident or residents of the facility due to actions or the lack of actions taken by the facility.

ASSUMPTION (continued)

The cost to publish 3-inch long notices (the required notices would most likely be longer than 3-inches) in the public notices section of several newspapers in Missouri is as follows:

Warrensburg Star Journal - \$36.24

Moberly Monitor-Index - \$87.00

St. Louis Post-Dispatch (Sunday rate) – \$838.90

St. Louis Post-Dispatch (weekday rate) – \$705.50

Kansas City Star (Sunday rate) - \$181.44

Kansas City Star (weekday rate) - \$190.30

Southeast News Leader - \$10.56 per column inch (\$31.68 for 3 inches)

Springfield News Leader - \$1.29 per line (assuming 12 lines per inch, 3 inches would be \$46.44)

St. Joseph News Press - \$25.20 per inch (\$75.60 for 3 inches)

Kirksville Daily Express - \$10.75 per inch (\$32.25 for 3 inches)

Jefferson City News Tribune - \$1.40 per line (assuming 12 lines per inch, 3 inches would be \$50.40)

In FY '04, 31% (1,950 of 6,295) of nursing home complaints were called in from the St. Louis (Region 7) region. Assuming that 31% of all investigations (980 of 3,165) were completed in St. Louis region, the cost of placing a public notice in the St. Louis Post-Dispatch on a weekday for each of the investigations would be \$691,390 (980 × \$705.50).

In FY '04, 17.5% (1,103 of 6,295) of nursing home complaints were called in from the Kansas City (Region 3) region. Assuming that 17.5% of all investigations (555 of 3,165) were completed in Kansas City region, the cost of placing a public notice in the Kansas City Star on a weekday for each of the investigations would be \$100,699.20 (555 × \$181.44).

In FY '04, 8.7% (547 of 6,295) of nursing home complaints were called in from the Southeast (Region 2) region. Assuming that 8.7% of all investigations (275 of 3,165) were completed in the Southeast region, the cost of placing a public notice in the Southeast News Leader for each of the investigations would be \$8,712 (275 × \$31.68).

In FY '04, 16.3% (1,025 of 6,295) of nursing home complaints were called in from the Southwest (Region 1) region. Assuming that 16.3% of all investigations (515 of 3,165) were completed in the Southwest region, the cost of placing a public notice in the Springfield News Leader for each of the investigations would be \$23,916.60 (515 × \$46.44).

In FY '04, 7.8% (491 of 6,295) of nursing home complaints were called in from the Northwest (Region 4) region. Assuming that 7.8% of all investigations (247 of 3,165) were completed in the Northwest region, the cost of placing a public notice in the St. Joseph News Press for each of

ASSUMPTION (continued)

the investigations would be \$18,673.2 ($247 \times \75.60).

In FY '04, 6.4% (404 of 6,295) of nursing home complaints were called in from the Northeast (Region 5) region. Assuming that 6% of all investigations (203 of 3,165) were completed in the Northeast region, the cost of placing a public notice in the Kirksville Daily Express for each of the investigations would be \$6,546.75 ($203 \times \32.25).

In FY '04, 12.3% (775 of 6,295) of nursing home complaints were called in from the Central (Region 6) region. Assuming that 12.3% of all investigations (390 of 3,165) were completed in the Central region, the cost of placing a public notice in the Jefferson City News Tribune for each of the investigations would be \$19,656 ($390 \times \50.40).

The total publication cost of investigations using FY '04 numbers and assuming a 3 inch long column is \$869,594. These calculations do not take into consideration the fact that the public notices required by this bill could be substantially larger than 3 inches and the cost could be more expensive. Additionally, these calculations are based upon specific newspapers in the regional areas; the actual costs could be more or less depending the cost of publication in each particular local newspaper.

There would be additional cost to the DOH due to the numbers of investigations that would have to be written up for newspaper publication. Based upon FY'04 data DOH could be required to write 3,165 public notices describing our investigations. Assuming there is 260 working days each year, DOH would be required to write and publish 12 public notices every working day. In order to accomplish this, DOH would need 1 Health Program Representative II (HPR II) and one Office Support Assistant Keyboarding (OSAK). The HPR II would be required to summarize each investigation in a manner that is understood by the general public. The OSAK would be required to communicate with the newspaper, assure the newspaper receives the public notice and handle the billing.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Costs</u> Department of Health and Senior Services			
Personal Services (2 FTE)	(\$50,153)	(\$61,688)	(\$63,231)
Fringe Benefits	(\$21,395)	(\$26,316)	(\$26,974)
Expense and Equipment	(\$25,020)	(\$13,287)	(\$13,687)
Publication cost	<u>(\$724,662)</u>	<u>(\$895,682)</u>	<u>(\$922,552)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$821,230)</u>	<u>(\$996,973)</u>	<u>(\$1,026,444)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

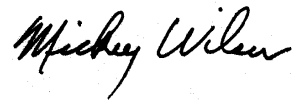
This proposal requires the Department of Health and Senior Services to publish the results of an investigation complaint against a long-term care facility in a newspaper circulated within the county where the facility is located. A facility that does not provide a copy of the results of a complaint, notices or reports of deficiencies, or a violation of law or ordinances against the facility during the last 10 years to a resident, the resident's guardian, and the resident's family members prior to admission will receive an immediate revocation of their license.

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 Mental Health
Department of Social Services
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA
Director
April 20, 2005