

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5734-01
Bill No.: HB 1963
Subject: Veterans; Nursing Homes and Long-Term Care Facilities
Type: Original
Date: March 20, 2018

Bill Summary: This proposal establishes the Veterans Home Resident Monitoring Care Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Veterans Commission (VET)** assume the proposal would not have a fiscal impact on their agency. While this bill states that the cost of the monitoring device, installation and maintenance costs will be paid for by the resident, VET states that they have concerns that this system could potentially end up adding to their expenses and impacting FTEs with overtime and general maintenance addressing any issues that may arise due to system faults.

Officials from the **Department of Public Safety - Office of the Director** defer to the Missouri Veterans Commission.

Officials from the **Office of Administration - Facilities Management, Design and Construction (FMDC)** state this bill would allow a resident of a Veterans Home to install a monitoring device in the resident's room, at the resident's own expense. The facility would be required to accommodate the installation of the monitoring device.

FMDC assumes that this bill would require state staff to oversee the installation of monitoring devices in Veterans Homes. However, FMDC assumes that Veteran's Commission staff would serve this function, as FMDC is not currently responsible for routine maintenance or operations at Veterans Homes. FMDC handles only capital improvement construction and the utility expenditures for Veterans Homes.

If FMDC's assumption that Veteran's Commission staff would oversee the installation of the monitoring devices is correct, there would be no fiscal impact to FMDC because of this bill. If Veteran's Commission staff are unable to serve this function for some reason, fiscal impact would result. FMDC staff would then be required to oversee the installation of numerous monitoring devices at multiple Veterans Homes around the state. Also, if this bill is altered to provide for uniform facility wide system, then that would need to be included in the capital improvement budget and FMDC would oversee the project.

Officials from the **Department of Health and Senior Services**, the **Department of Corrections**, the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal would not fiscally impact their respective agencies.

According to officials from the **Office of the Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain

ASSUMPTION (continued)

amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal would not have a measurable fiscal impact on their agency. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs which are difficult to determine.

For the purpose of this proposed legislation, officials from the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of intentionally hampering, obstructing, tampering with, or destroying a monitoring device or a recording made by a monitoring device installed in a facility which would be a new class D felony until December 31, 2018, and a class E felony beginning January 1, 2019.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Office of the State Courts Administrator** state there may be some impact, but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

ASSUMPTION (continued)

For informational purposes; **Oversight** notes according to the Department of Public Safety’s budget request, the seven Missouri Veterans Homes operate 1,350 long-term skilled nursing care beds in compliance with the U.S. Department of Veterans Affairs regulations. The seven homes are located in:

- Cameron (200 beds - 235 FTE)
- Cape Girardeau (150 beds - 184 FTE)
- Mexico (150 beds - 184 FTE)
- Mt. Vernon (200 beds - 235 FTE)
- St. James (150 beds - 185 FTE)
- St. Louis (300 beds - 372 FTE)
- Warrensburg (200 beds - 241 FTE)

The major funding sources for a veteran to reside in a Missouri Veterans Home are:

- 70% VA Per Diem (federal)
- 25% residential charges (Veteran); and
- 5% gaming transfers

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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 Public Safety - Missouri Veterans Commission
Office of Administration
Department of Health and Senior Services
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Courts Administrator
Office of the State Public Defender
Office of Prosecution Services
Department of Corrections
Missouri Highway Patrol

Ross Strope



Acting Director
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