

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3231-01  
Bill No.: HB 1485  
Subject: Veterans; Military Affairs; Health Care  
Type: Original  
Date: January 21, 2020

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Bill Summary: This proposal authorizes the issuance of residential care vouchers to certain veterans.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Veterans Home Capital Improvement Trust (0304)	Up to or could exceed (\$27,300,000)	Up to or could exceed (\$27,300,000)	Up to or could exceed (\$27,300,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Up to or could exceed (\$27,300,000)</b>	<b>Up to or could exceed (\$27,300,000)</b>	<b>Up to or could exceed (\$27,300,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §42.145 - Care vouchers to certain veterans

Officials from the **Department of Public Safety - Veterans' Commission (MVC)** state the average daily cost of care for a veteran living in a Missouri State Veterans Home as of November 2019 is \$272.51/day or \$8,447.85/month. The veteran contribution rate is approximately \$2,050 per month or \$66 per day. Therefore, the total state cost per veteran per month is \$6,397.85 (\$8,447.85 - \$2,050).

In response to a similar proposal from 2019 (HB 1064), VET stated the Missouri Veterans Commission provides skilled nursing care. Skilled nursing care is defined as care and oversight for veterans by licensed personnel twenty-four (24) hours per day (11 CSR 85-1.030). The Missouri Veterans Commission does not provide for assisted living, intermediate care or residential care.

The Department of Veterans Affairs contribution (per diem) is \$115.45 per day or \$3,463.62 month. The state contribution is \$97.81 per day or \$2,934.23 per month.

Currently, the VA pays 41 percent, the veteran pays 25 percent, and the state of Missouri (through Missouri Gaming Commission) pays 34 percent.

Assuming the veteran continues to pay approximately \$2,050 per month to live in a private sector nursing home, the state of Missouri would need to pay for the remainder of the bill or \$6,397.85 per month per veteran. It is important to note the Department of Veterans Affairs will not pay the \$3,463.62 per diem payment unless the veteran lives in a state veterans home or a VA contracted home. The Department of Veterans Affairs has contracts with private sector nursing homes throughout Missouri.

The state of Missouri would be required to pay 75 percent of the veterans daily cost of care with the voucher program or \$6,397.85 per month per veteran.

The Department of Veterans Affairs has approved the Missouri Veterans Commission to operate 1,238 beds. To exceed that number with a voucher program would require additional funding to the Missouri Veterans Commission.

Without additional state funding or an additional assessment for cost of care for each veteran

ASSUMPTION (continued)

living in a Missouri Veterans Home, the Missouri Veterans Commission would need to close 2.2 beds for each voucher issued in order to absorb the voucher costs.

There are approximately 479,800 veterans living in the state of Missouri, with 45 percent or 215,910 ( $479,800 * 0.45$ ) being over the age of 65.

VET officials stated VET does not track veterans needing residential care but does track veterans in need of skilled nursing facilities. The number of veterans currently on a waiting list for a skilled nursing facility is approximately 356 that have not been offered a bed. There may be more on the waiting list, but those veterans have been offered a bed and are not ready to come to the home at this time.

**Oversight** does not have information beyond that provided by the VET; however, according to the Department of Public Safety's budget submission books, the number of veterans on a waiting list as of June 20, 2018 and June 30, 2017 is as follows:

734 as of June 30, 2018; and  
1,954 as of June 30, 2017

Oversight will utilize VET's estimate of 356 veterans on a waiting list:

$356 \times \$6,397.85 \text{ per month} \times 12 = \$27.3 \text{ million}$

Therefore, Oversight will reflect VET's impact as Up to or could exceed \$26,400,000 for fiscal note purposes.

The MVC assumes this program would be funded from the Veterans Commission Capital Improvement Trust Fund (0304). **Oversight** notes the balance of the Veterans Commission Capital Improvement Trust Fund (0304) on December 31, 2019, was \$27,771,052.

Bill as a whole:

Officials from the **Office of the Secretary of State (SOS)** state 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 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 \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the

ASSUMPTION (continued)

General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget.

Therefore, the SOS reserves 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 require additional resources.

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

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

**Oversight** notes the **Department of Health and Senior Services** has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>VETERANS COMMISSION CAPITAL IMPROVEMENTS TRUST FUND (0304)</b>			
<u>Costs - VET (\$42.145)</u>	<u>Up to or could</u>	<u>Up to or could</u>	<u>Up to or could</u>
Issuance of residential care vouchers	<u>exceed</u>	<u>exceed</u>	<u>exceed</u>
	<u>(\$27,300,000)</u>	<u>(\$27,300,000)</u>	<u>(\$27,300,000)</u>
<b>ESTIMATED NET EFFECT ON THE VETERANS COMMISSION CAPITAL IMPROVEMENTS TRUST FUND</b>	<b><u>Up to or could</u></b>	<b><u>Up to or could</u></b>	<b><u>Up to or could</u></b>
	<b><u>exceed</u></b>	<b><u>exceed</u></b>	<b><u>exceed</u></b>
	<b><u>(\$27,300,000)</u></b>	<b><u>(\$27,300,000)</u></b>	<b><u>(\$27,300,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small business residential care facilities could be positively impacted by this proposal.

FISCAL DESCRIPTION

This bill authorizes any veteran who is approved for admission into a Missouri veterans home, but has not been admitted due to a lack of vacancy, to receive a voucher from the state for an amount that is equal to the average cost to the state to house one veteran for one month in a Missouri veterans home.

The voucher will be used to pay for the costs of being housed at an assisted living facility, intermediate care facility, residential care facility, or skilled nursing facility. The voucher will be issued on a monthly basis by the Missouri Veterans Commission as long as the veteran can pay for room and board at a facility in a timely manner.

Issuance of a voucher will not affect any eligible veteran's position for placement in a Missouri veterans home.

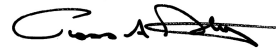
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Public Safety -  
Veterans' Commission  
Joint Committee on Administrative Rules  
Office of Secretary of State



Julie Morff  
Director  
January 21, 2020



Ross Strobe  
Assistant Director  
January 21, 2020