

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3240-03
Bill No.: HCS for HB Nos. 1387 & 1482
Subject: Health Care; Elderly; Nursing Homes and Long-term Care Facilities
Type: Original
Date: February 5, 2020

Bill Summary: This proposal establishes the “Authorized Electronic Monitoring in Long-term Care Facilities Act”.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(Less than \$252,865)	(Less than \$269,828)	(Less than \$271,520)
Total Estimated Net Effect on General Revenue	(Less than \$252,865)	(Less than \$269,828)	(Less than \$271,520)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Veterans Commission Capital Improvement Trust (0304)	(Less than \$1,918,598)	(Less than \$363,178)	(Less than \$366,004)
Total Estimated Net Effect on Other State Funds	(Less than \$1,918,598)	(Less than \$363,178)	(Less than \$366,004)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 10 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	1 to 2	1 to 2	1 to 2
Veterans Commission Capital Improvement Trust	Up to 7	Up to 7	Up to 7
Total Estimated Net Effect on FTE	Up to 8 to 9	Up to 8 to 9	Up to 8 to 9

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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§198.610 - 198.632 - Electronic monitoring in long-term care facilities

Officials from the **Department of Health and Senior Services (DHSS)** state this legislation requires the Division of Regulation and Licensure (DRL), Section for Long-Term Care Regulation (SLCR) to create a notification and consent form for authorization of electronic monitoring to be conducted in a Skilled Nursing Facility/Intermediate Care Facility (SNF/ICF) and Residential Care Facility/Assisted Living Facility (RCF/ALF) resident's room, and to promulgate rules to adopt the form.

It is assumed it will take a Health and Senior Services Manager (\$65,694 based on equivalent level managers in the division) approximately 200 hours to promulgate state rules, policies and procedures, and forms. Based on 2,080 working hours per year, this would require 0.1 FTE to assume these duties (200 hours / 2,080 hours per year = 0.1) for a total personal service cost of \$6,569 ($\$65,694 \times 0.1$) in FY21. The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

There are 520 SNF/ICF and 653 RCF/ALF in Missouri. It is assumed it will take a Facility Advisory Nurse II (\$49,329 based on the average starting salary of a Facility Advisory Nurse II) approximately one-half hour per facility to include the additional survey process changes of ensuring facilities comply with the provisions of this legislation for a total of 587 hours ($520 + 653 \times 0.5 = 587$). Based on 2,080 working hours per year, this would require 0.28 FTE ($587 \text{ hours} / 2,080 \text{ hours per year} = 0.28$) to assume these duties for a total personal service annual cost of \$13,812 ($\$49,329 \times 0.28$). DRL, SLCR employs approximately 200 survey staff. The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

SLCR is unable to determine the number of electronic monitoring notification and consent forms that may be completed and signed by residents or tapes and recordings submitted under a complaint investigation. It is estimated the number could range from zero to more than 2,000. At the higher range, one Health and Senior Services Manager and one Health Program Representative II would be needed to handle the requirements of this legislation.

One Health and Senior Services Manager (\$65,694 based on equivalent level managers in the division with pay plan) will be needed to coordinate receipt of tapes or recordings and provide technical assistance to facilities concerning forms and electronic monitoring.

ASSUMPTION (continued)

One Health Program Representative II (\$37,070 based on the average starting salary in the division with pay plan) will be responsible for the collection of notification and consent data.

DHSS estimates a fiscal impact to the General Revenue Fund of (\$196,748) for FY 21; (\$199,586) for FY22; and (\$201,675) for FY23.

Oversight notes the DHSS, SLCR is unable to determine the number of electronic monitoring notification and consent forms that may be completed and signed by residents or tapes and recordings submitted under a complaint investigation. It has been assumed that at the higher range estimated (up to 2,000), DHSS will need 2 additional FTE. Oversight assumes the DHSS could meet the requirements of this proposal with 1 FTE Health and Senior Services Manager until better information is obtained. Therefore, for fiscal note purposes, Oversight will range DHSS personal service costs from 1 FTE Senior Services Manager to the personal service costs estimated for 2 FTE.

Oversight notes DHSS assumes it will need a total of 2 new FTE as a result of the provisions of this proposal. Based on DHSS' response that new FTE would be located in Jefferson City, it is assumed the additional FTE can be housed within current DHSS locations. However, if multiple proposals pass during the legislative session requiring additional FTE, cumulatively the effect of all proposals passed may result in the DSS needing additional rental space.

In addition, **Oversight** notes the additional partial FTE expenses calculated by DHSS are assumed to be absorbable by the department.

Officials from the **Department of Public Safety (DPS), Missouri Veterans Commission (VET)** assume the provisions of this proposal will require:

\$80,000 for hardware for a 150-bed home (4 homes); \$106,400 in hardware for a 200-bed home (2 homes; 33% increase from 150-bed home); and \$127,680 for hardware for the home in St. Louis (25% increase from 200-bed home) for a total of \$660,480 for hardware costs to update veterans homes.

It is estimated an average cost per home for inside wiring of \$20,000 or \$140,000 (7 homes total).

In addition, maintenance and upkeep is assumed to require 1 additional FTE Maintenance Worker II per home (7 FTE; \$30,000 annually each). Fringe benefits are assumed to be \$15,000 per FTE.

ASSUMPTION (continued)

Additional electric costs are estimated to be \$300 annually per resident at 1,238 beds or approximately \$371,400 annually.

Finally, the VET estimates if infrastructure is not in place, it will cost an additional \$60,000 per home for infrastructure upgrades.

The VET estimates a fiscal impact for this proposal of approximately \$2.1 million to the Veterans Commission Capital Improvement Trust Fund for FY21; \$585,000 for FY22; and \$589,000 for FY23.

Oversight considers the VET's estimated impact of this proposal on their homes to be excessive; however, Oversight does not have information to provide a better estimate. Therefore, Oversight will reflect the fiscal impact to the Missouri Veterans Commission as "Less Than" their estimates.

§198.630 - Sanctions/penalties

Oversight notes the provisions of §198.630.1 allow the department to impose sanctions against an administrator of a facility who knowingly violates provisions of the proposal. In addition, provisions of §198.630.2 provide that the department may (permissive) impose administrative penalties against a facility that violates provisions of the proposal. The amount of the sanctions/administrative penalties is not provided. Oversight further notes that penalties are distributed to school districts. Since it is unknown whether the department will impose sanctions/administrative penalties or the amount that may be collected, Oversight will not present penalties for fiscal note purposes.

§198.632 - Class B misdemeanor

For the purpose of this proposed legislation, officials from the **Office of State Public Defender (SPD)** state they cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crimes 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 would be a new class B Misdemeanor. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

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.

ASSUMPTION (continued)

Oversight notes over the last three fiscal years, the SPD has lapsed a total of \$153 of General Revenue appropriations (\$2 out of \$28.0 million in FY 2017; \$150 out of \$42.5 million in FY 2018; and \$1 out of \$46.0 million in FY 2019). Therefore, **Oversight** assumes the SPD is at maximum capacity and the increase in workload resulting from this bill cannot be absorbed within SPD's current resources.

Adding one additional Assistant Public Defender 1 (APD) with a starting salary of \$47,000, will cost approximately \$74,500 per year in personal service and fringe benefit costs. One additional APD II (\$52,000 per year; eligible for consideration after 1 year of successful performance at APD I) will cost the state approximately \$81,000 per year in personal service and fringe benefit costs. When expense and equipment costs such as travel, training, furniture, equipment and supplies are included, **Oversight** assumes the cost for a new APD could approach \$100,000 per year.

Oversight assumes the SPD cannot absorb the additional caseload that may result from this proposal within their existing resources and, therefore, will reflect a potential additional cost of (Less than \$100,000) per year to the General Revenue Fund.

Oversight notes the **Missouri Office of Prosecution Services** has stated the proposal would not have a measurable fiscal impact on their organization. The creation of additional responsibilities for county prosecutors may result in additional costs which are difficult to determine at the present time. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Bill as a whole

Oversight notes the **Missouri Attorney General's Office**, the **Department of Corrections**, the **DPS**, **Missouri State Highway Patrol** and the **Office of State Courts Administrator** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

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.

ASSUMPTION (continued)

Officials from the **Office of 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 Secretary of State's office 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 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, 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, 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 only reflects the responses that we have received from state agencies and political subdivisions; however, other Nursing Homes were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Costs - DHSS (§§198.610 - 198.632)</u>			
Personal service	(\$54,745 to \$85,637)	(\$66,351 to \$103,792)	(\$67,014 to \$104,830)
Fringe benefits	(\$27,781 to \$47,640)	(\$31,635 to \$53,669)	(\$31,855 to \$54,014)
Equipment and expense	<u>(\$7,287 to \$19,588)</u>	<u>(\$6,183 to \$12,367)</u>	<u>(\$6,339 to \$12,676)</u>
Total <u>Costs</u> - DHSS	<u>(\$89,813 to \$152,865)</u>	<u>(\$104,169 to \$169,828)</u>	<u>(\$105,208 to \$171,520)</u>
FTE Change - DHSS	1 to 2 FTE	1 to 2 FTE	1 to 2 FTE
<u>Costs - SPD (§198.632) - Personnel services, fringe benefits and equipment and expense</u>			
	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Less than \$252,865)</u>	<u>(Less than \$269,828)</u>	<u>(Less than \$271,520)</u>
Estimated Net FTE Change on the General Revenue Fund	1 to 2 FTE	1 to 2 FTE	1 to 2 FTE
VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST FUND (0304)			
<u>Cost - VET (§§198.610 - 198.632)</u>			
Personal service	Less than... (\$175,000)	Less than... (\$212,100)	Less than... (\$214,221)
Fringe benefits	(\$125,318)	(\$151,078)	(\$151,783)
Equipment and expense	<u>(\$Up to 1,618,280)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - VET	<u>(Up to \$1,918,598)</u>	<u>(\$363,178)</u>	<u>(\$366,004)</u>
FTE Change - VET	Up to 7 FTE	Up to 7 FTE	Up to 7 FTE
ESTIMATED NET EFFECT ON THE VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST FUND	<u>(Less than \$1,918,598)</u>	<u>(Less than \$363,178)</u>	<u>(Less than \$366,004)</u>
Estimated Net FTE Change on the Veterans Commission Capital Improvement Trust Fund	Up to 7 FTE	Up to 7 FTE	Up to 7 FTE

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

FISCAL IMPACT - Small Business

This proposal may impact small business long-term care facilities as they may incur additional work related to gathering/maintaining the additional forms/authorizations required, making facility modifications to accommodate equipment and incur increased electricity costs resulting from the additional equipment. (§§198.610 - 198.632)

FISCAL DESCRIPTION

This bill establishes the "Authorized Electronic Monitoring in Long-Term Care Facilities Act", which specifies the parameters of electronic monitoring by residents of long-term care facilities (§198.610, RSMo).

The bill requires the department to promulgate rules that prescribe a form to be completed and signed by every resident that explains the liabilities and rights for residents who place covert or authorized electronic monitoring devices, and the procedures to request authorized monitoring (§198.616).

The bill also describes who may consent to electronic monitoring (Section 198.618) and how that monitoring shall be requested, including the form, with the consent of any other residents in the room and the conditions of their consent (§198.620).

The bill requires the facility and any resident conducting electronic monitoring to post a conspicuous sign indicating that rooms, or the room of the resident is being monitored. It also states that facilities must accommodate requests for monitoring and shall not refuse to admit an individual that requests electronic monitoring. For purposes of abuse and neglect, the bill outlines time lines and reporting requirements for people who might view footage on behalf of a resident and specifies when a video recording may be used as evidence. Finally, the bill specifies when the department may sanction facilities or their administrators who violate these provisions (§§198.622 to 198.628).

The bill also makes it a class B misdemeanor to intentionally hamper, obstruct, tamper with, or destroy devices installed or data collected under these provisions, or to conduct unauthorized monitoring after a written warning to cease and desist from that conduct (§198.632).

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

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



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