

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-4282/1	Introduction Number SB-538
Description Requiring nursing homes to notify residents of certain alleged violations and providing a penalty.	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate	
1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
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Date	
2/25/2010	

Fiscal Estimate Narratives

DHS 2/25/2010

LRB Number	09-4282/1	Introduction Number	SB-538	Estimate Type	Original
Description Requiring nursing homes to notify residents of certain alleged violations and providing a penalty.					

Assumptions Used in Arriving at Fiscal Estimate

This bill would require any nursing home receiving a federal citation of immediate jeopardy (IJ) or a state class A citation to notify each nursing home resident identified in the notice or statement and notify the resident's legal representative, if any, within 15 days after receiving the notice or statement. Failure to comply would result in a class C violation with a \$2,500 penalty. This bill also requires the Department of Health Services (DHS) to send the resident or legal representative a copy of the final disposition upon request.

Under current law, DHS conducts an annual survey (inspection) of each nursing home under federal and state standards. Currently, there are approximately 400 nursing homes in the state.

During the last four calendar years, the Department has issued between 77 and 90 Class A/IJ citations per calendar year. The number of facilities cited ranged from 42 to 59 facilities during the same time period. DHS estimates approximately 90 citations for calendar year 2009. Most class As or IJs involve one resident with a few citations involving up to 10 residents.

If this bill were to become law, expenses for DHS would be minimal. The expenses include setting up a filing system to identify resident/legal representatives who wish to receive copies of a final disposition and to keep track of the final disposition in order to notify residents/legal representatives. Mailing costs would be minimal. Follow-up questions from those who receive the mailings are also expected in some cases although the exact number would be difficult to quantify. DHS would verify nursing homes' compliance with this new requirement for the class A and IJ citations on scheduled follow-up visits. This additional time would be less than 30 minutes per citation. The Department is able to absorb these administrative costs.

Costs to state, county, and municipal-owned nursing homes would also be minimal. It is estimated that the cost to comply with the requirements would equal \$60 per citation. This estimate assumes three hours of clerical time to process the citation notification and mailings at \$20 per hour.

Long-Range Fiscal Implications