

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-4400/1	Introduction Number SB-428	
Subject Convert minimum nursing home staffing requirements to ratios		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect		
<input checked="" type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		
<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No		
<input type="checkbox"/> Decrease Costs		
Local:		
<input checked="" type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected		
<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input 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 DHFS/ Mark Resheske (608) 267-0356	Authorized Signature Freda Ellen Bove (608) 266-2907	Date 3/8/02

Fiscal Estimate Narratives

DHFS 3/8/02

LRB Number	01-4400/1	Introduction Number	SB-428	Estimate Type	Original
Subject					
Convert minimum nursing home staffing requirements to ratios					

Assumptions Used in Arriving at Fiscal Estimate

Current law requires nursing homes that do not primarily serve the developmentally disabled to provide each patient with a minimum number of hours of nursing care per day. This bill directs the Department to convert the current minimum nursing hours standards to standards based on a minimum number of registered nurses, licensed practical nurses, and nurse's assistants per resident per work shift per day.

It is assumed that the bill intends that the new standards developed by the Department would require the same general level of nursing home staff as required in the current standards. In addition, under the new standards, if the number of residents in a facility would require a fraction of a staff person, it is assumed that the Department would consider the facility in compliance if the staff person works a partial shift. For example, if the standard required 1 nursing staff for every 12 residents, and a facility has 126 residents, the standard would require 10.5 nursing staff. It is assumed that the Department would consider the facility in compliance if 10 staff work full shifts and one staff person works a half shift.

However, it is possible that some nursing homes may add staff in order to ensure they comply with the new standards. It may be difficult for a facility to schedule staff for partial shifts that precisely match the required staff ratio based on the number of residents at the facility. As a result, a facility may schedule staff for longer shifts than necessary to ensure compliance. In addition, because the bill would require separate staff to resident ratios for each work shift, it is possible that a facility would have to reassign staff from a morning to an evening shift to be in compliance. If so the facility may incur an additional expense for shift differential pay for those staff.

Based on these assumptions, changes in the bill related to staffing standards could increase nursing home staffing costs and, therefore, costs to the Medical Assistance program and to local units of government that own nursing homes. However, the precise fiscal effect of these changes cannot be estimated.

Under the bill DHFS must submit a report to the Governor and the Legislature with recommendations as to methods by which nursing homes would be more able to effectively recruit and retain caregivers; proposed revised minimum nursing home staff ratios that minimize state costs, maximize access to care, facilitate care of the highest quality, and take into account patient acuity levels; and a proposed revised nursing home Medical Assistance reimbursement methodology.

The Department would need to expend significant staff time and possibly incur additional expenses in researching and developing the report. However it is not possible to estimate the workload and costs associated with the report, and therefore the precise fiscal effect of this provision cannot be determined.

Long-Range Fiscal Implications