

Fiscal Estimate - 2011 Session

Original Updated Corrected Supplemental

LRB Number 11-2968/1		Introduction Number SB-212	
Description regulation of nursing homes, requiring the exercise of rule-making authority, and making an appropriation			
Fiscal Effect			
State:			
<input checked="" type="checkbox"/> No State Fiscal Effect			
<input 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 type="checkbox"/> No Local Government Costs			
<input checked="" 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 checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input checked="" 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 checked="" type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By	Authorized Signature	Date	
DHS/ Elaine Velez (608) 266-9363	Andy Forsaith (608) 266-7684	10/12/2011	

Fiscal Estimate Narratives

DHS 10/12/2011

LRB Number	11-2968/1	Introduction Number	SB-212	Estimate Type	Original
Description regulation of nursing homes, requiring the exercise of rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a nursing home that receives Medicare or Medicaid funding for the care of a resident is subject to both federal and state requirements. This bill prohibits the Department of Health Services (DHS) from issuing a violation of a state requirement to a nursing home that receives Medicare or Medicaid funding if DHS has cited the nursing home for a violation of a federal requirement based on the same facts.

This bill would allow DHS to seek an injunction in court to enjoin repeated violations of certain federal requirements related to operating a nursing home. Presently, DHS may only seek an injunction in court to enjoin repeated violation of certain state requirements.

The bill extends the deadline for a nursing home to request a hearing on a finding that the nursing home violated a state requirement from 10 to 60 days. The bill also makes certain changes to standards for issuing a conditional license and for suspending new admissions to a facility.

Under current law, DHS has no time limit to assess a forfeiture against a nursing home for a state requirement. Nursing homes have 10 days after receipt of the notice to pay the forfeiture, and, if they meet this deadline, receive a 35 percent reduction in the fine. This legislation would require DHS to impose a forfeiture within 120 days of notifying a nursing home of a violation or DHS loses the authority to impose a forfeiture. In addition, the legislation extends the time a nursing home has to pay the forfeiture to 60 days. The 35 percent reduction still applies. All collected forfeitures are deposited into the School Fund.

This bill will have no effect on General Fund revenues or expenditures. School Fund revenues would decrease as DHS would assess fewer forfeitures due to the ban on issuing a federal and state citation for the same facts. In calendar year 2010, DHS issued 556 forfeitures (30 class A, 520 class B, and 6 class C) with a total of \$1,546,371 forfeiture revenue deposited in the School Fund. Under the bill DHS estimates it will issue no class A violations, five class B violations, and five class C violations with an estimated \$15,000 deposited into the School Fund. This is a reduction of approximately \$1.5 Million in revenue to this fund each year.

Lastly, DHS must develop rules to establish and maintain a quality assurance and improvement committee. It is estimated that rulemaking will require 200 staff hours at a cost of \$9,500 GPR; the Department is able to absorb these one-time costs.

Long-Range Fiscal Implications

None.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description regulation of nursing homes, requiring the exercise of rule-making authority, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-1,500,000
TOTAL State Revenues	\$		\$-1,500,000
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-1,500,000		\$
Agency/Prepared By		Authorized Signature	Date
DHS/ Elaine Velez (608) 266-9363		Andy Forsaith (608) 266-7684	10/12/2011