

March 1, 2011

The Honorable Bob Bethell, Chairperson
House Committee on Aging and Long Term Care
Statehouse, Room 55C-S
Topeka, Kansas 66612

Dear Representative Bethell:

SUBJECT: Fiscal Note for HB 2315 by House Committee on Aging and Long Term Care

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2315 is respectfully submitted to your committee.

HB 2315 would amend the Home Health Agency Licensing Act to add home nursing agencies, home service agencies, and placement agencies to the types of agencies that would be licensed by the Kansas Department of Health and Environment (KDHE). The bill would provide definitions for the agencies added and would further require that skilled nursing services be provided in order for a home health agency to be licensed. The bill would give KDHE authority for provisional licensing and the authority to adopt rules and regulations. A license could be issued after a survey inspection, with inspections required at least once every 36 months. Employees of the agencies referenced in the bill would be subject to the criminal employment prohibitions of KSA 65-5116, which prohibits unlicensed employees of a home health agency from pre-filling insulin syringes for any patient served by the agency.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	\$25,200	\$25,200
Expenditure	--	--	\$590,796	\$590,796
FTE Pos.	--	--	--	7.5

The Department of Health and Environment indicates that there are 316 home health agencies in the state, and estimates that the combined number of home nursing and home service agencies to be approximately 100. In order to research and develop new regulations, establish application forms and processes, conduct initial and ongoing inspections, investigate complaints, and fund the 15-member advisory council, the following new FTE positions would be required: one Public Administrator II to do research, write regulations, and process applications; five Health Facility Surveyors I to perform initial surveys and respond to complaints; one Health Facility Surveyor II to supervise the Surveyor I positions; and one half-time Attorney II to assist

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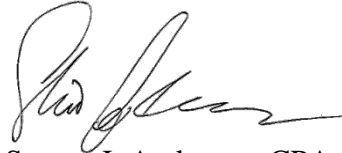
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with regulations and legal issues. Once all agencies are licensed and the 36-month inspection requirement is effective in FY 2014, two of the Health Facility Surveyor I FTE positions could be eliminated. The revenue estimate is based on the average home health fee of \$252 in FY 2010 multiplied by 100 agencies resulting in \$25,200 in revenue to the State General Fund. The table below lists the detailed estimate:

Health Facility Surveyor I (5.00)	\$306,855
Health Facility Surveyor II (1.00)	69,709
Public Service Administrator II (1.00)	57,644
Attorney II (5.00)	37,215
Communications	17,048
Printing/Advertising	1,500
In-State Travel	59,680
Miscellaneous	6,000
Honorariums (Board Members)	9,000
Stationery & Office Supplies	9,120
Capital Outlay—laptop computers (8)	<u>14,400</u>
Total	\$590,796

Any fiscal effect resulting from enactment of this bill is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Pat Kuester, KDHE
Linda Durand, KBI
Cathy Brown, Healing Arts
Mary Blubaugh, Nursing