

February 19, 2015

REVISED

The Honorable Connie O'Brien, Chairperson
House Committee on Children and Seniors
Statehouse, Room 187-N
Topeka, Kansas 66612

Dear Representative O'Brien:

SUBJECT: Revised Fiscal Note for HB 2201 by Representative Wilson

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2201 is respectfully submitted to your committee.

HB 2201 would require adult care homes to post the current number of licensed and unlicensed nursing personnel who are directly responsible for resident care and current ratios of residents to licensed and unlicensed nursing personnel for each wing and shift in the adult care home. The bill would require that unlicensed employees of an adult care home who provide direct patient care but do not administer medications to successfully complete 90 hours of education and training in basic resident care and treatment. The current requirement is 40 hours. This staff could be employed for 60 days while completing the training. Current law requires the training to be completed within 90 days. Further, training requirements for paid nutrition assistants would increase from eight to 12 hours.

HB 2201 would increase from \$5,000 to \$6,000 the maximum assessment for deficiencies cited in correction orders. HB 2201 would also require the Secretary for Aging and Disability Services to provide annually to the Legislature an assessment of whether the minimum nursing care hours requirement is sufficient and recommend adjustments to the requirement if necessary.

After the fiscal note for HB 2201 was released, the Kansas Department for Aging and Disability Services (KDADS) revised its response. The agency now states that passage of HB 2201 would have a fiscal effect. Edits to software used by adult care home surveyors would be necessary to accommodate the requirements of this bill. It is estimated that it would cost \$5,000 for the software vendor to complete the updates (12 hours to change forms). In addition, KDADS notes that during FY 2012, there was one Civil Monetary Penalty imposed under the existing statute which was reduced because the total fine was over the statutory limit. It is estimated that implementation of HB 2201 could allow KDADS to collect additional civil monetary penalties.

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Finally, passage of HB 2201 would have a significant fiscal effect on nursing facilities and Medicaid nursing facility reimbursements. According to an LPA audit dated April 2012, it could cost nursing facilities approximately \$245.0 million to fully implement the requirements of this bill, of which about \$98.0 million would be reimbursed by Medicaid. The remainder likely would be paid by the nursing facility, Medicare, or private-pay residents. The LPA estimates were based on the 2010 Department on Aging cost report. Utilizing the LPA audit estimate of \$98.0 million in Medicaid reimbursements, the State General Fund portion would be \$43.0 million using a state match rate of 43.87 percent.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Brad Ridley, KDADS