

February 24, 2011

The Honorable Vicki Schmidt, Chairperson
 Senate Committee on Public Health and Welfare
 Statehouse, Room 552-S
 Topeka, Kansas 66612

Dear Senator Schmidt:

SUBJECT: Fiscal Note for SB 184 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 184 is respectfully submitted to your committee.

SB 184 would increase staffing requirements for qualified nursing personnel in nursing facilities. The increased staffing requirements would begin on July 1, 2011, and would increase again on July 1, 2012, and July 1, 2013. The bill defines “qualified nursing personnel” as registered professional nurses, licensed practical nurses, nurse aides, nurse aide trainees, medication aides, and paid nutrition assistants. The staffing ratios required by SB 184 are as follows:

SB 184 Staffing Ratio Requirements

*Figures in hours per resident day
 May not add due to rounding*

Staffing Category	7/1/2011	7/1/2012	7/1/2013
RN	0.67	0.85	1.03
LPN	0.45	0.58	0.70
Aides	1.72	2.22	2.70
Total	2.83	3.65	4.44

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$15,600,000	\$36,700,000
FTE Pos.	--	--	--	--

The Honorable Vicki Schmidt, Chairperson

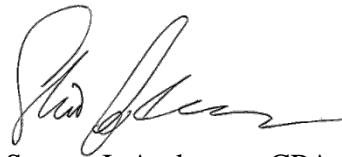
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The Kansas Department on Aging estimates that passage of SB 184 would cost \$36,700,000, of which \$15,600,000 is from the State General Fund in FY 2012. Because SB 184 would increase the number of hours of nursing care per nursing facility resident per day, increased staffing at nursing facilities would likely be necessary. This would increase salary and wage expenses for nursing facilities. As a result, the agency estimates that Medicaid expenditures would increase by \$36.7 million, of which \$15.6 million is from the State General Fund. This estimate assumes a Medicaid occupancy rate of 55.0 percent and a Federal Medicaid Assistance Percentage (FMAP) of 42.56 percent.

Because staffing ratio requirements increase incrementally over a period of three fiscal years, there would be an additional increase in expenditures in FY 2014. The cumulative increase in State General Fund expenditures is estimated to be \$46.9 million by FY 2014. Any fiscal effect associated with SB 184 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

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

cc: Sara Arif, Aging