

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 10, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB4056** by White, James (Relating to inspection procedures in certain long-term care facilities and the creation of a long-term care legislative oversight committee; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4056, As Introduced: a negative impact of (\$59,336,657) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$29,669,535)
2017	(\$29,667,122)
2018	(\$29,667,122)
2019	(\$29,667,112)
2020	(\$29,542,711)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Probable Revenue Gain/(Loss) from <i>Federal Funds</i> 555	Change in Number of State Employees from FY 2015
2016	(\$29,669,535)	\$28,500,000	(\$28,500,000)	3.0
2017	(\$29,667,122)	\$28,500,000	(\$28,500,000)	3.0
2018	(\$29,667,122)	\$28,500,000	(\$28,500,000)	3.0
2019	(\$29,667,112)	\$28,500,000	(\$28,500,000)	3.0
2020	(\$29,542,711)	\$28,500,000	(\$28,500,000)	0.0

Fiscal Analysis

The bill would amend the Health and Safety Code to require the Department of Aging and Disability Services (DADS) to implement certain inspection procedures for long-term care facilities. The bill would allow a long-term care facility to bring a civil action against an employee of DADS in certain circumstances. The bill would amend the Human Resources Code to create a temporary legislative oversight committee that would review the regulatory system of long-term care facilities and issue related reports and recommendations.

Methodology

DADS indicates that the provision of the bill requiring that a licensed registered nurse lead a DADS survey team that conducts an inspection of certain long-term care facilities would require that the agency reclassify 74 current surveyor positions. Reclassification would result in \$787,665 in salary costs and \$255,046 in benefit costs annually. DADS estimates that it would need three full-time equivalent positions (FTEs) to process records requests issued by the legislative oversight committee that the bill would create. Salary costs would be \$74,751 for fiscal year 2016 through fiscal year 2019. Benefit costs would be \$24,204 for fiscal year 2016 through fiscal year 2019. Other costs would be \$27,869 for fiscal year 2016 and \$25,456 for fiscal year 2017 through fiscal year 2019. In addition, DADS indicates that there could be a cost to comply with rules relating to the uniform administration of inspections and associated enforcement actions required by the bill. DADS indicates that the cost cannot be estimated because the rules have not yet been adopted by the Health and Human Services Commission (HHSC).

DADS indicates that the implementation of the inspection procedures required by the bill would cause it to violate its contract with the Centers for Medicare and Medicaid Services and estimates that violation of the contract would result in an annual loss of \$28.5 million in federal funds. DADS indicates that the loss in federal funding would need to be offset by General Revenue.

The Office of the Attorney General (OAG) indicates that there would be cost to represent DADS employees that have civil action brought against them by a long-term care facility. It is assumed that the cost could reasonably be absorbed within current resources.

HHSC indicates that rulemaking activities could be accomplished by utilizing existing resources.

Technology

OAG indicates that there would be a minimal cost for system modifications. It is assumed that the cost could reasonably be absorbed within current resources.

Local Government Impact

There may be costs to municipal fire departments; however, fiscal impact would vary depending on the number of investigations and municipal resources. The City of Waco reported that no fiscal impact is anticipated.

Source Agencies: 302 Office of the Attorney General, 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: UP, NB, WP, ADe, VJC, KVe, TBo