

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 23, 2017**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3533** by Raymond (Relating to inspection procedures in certain long-term care facilities and the creation of a long-term care legislative oversight committee.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3533, As Introduced: a negative impact of (\$13,110,406) through the biennium ending August 31, 2019.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2018	(\$6,773,069)
2019	(\$6,337,337)
2020	(\$6,337,337)
2021	(\$6,337,337)
2022	(\$6,337,337)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>	<b>Change in Number of State Employees from FY 2017</b>
	<b>1</b>	
2018	(\$6,773,069)	66.0
2019	(\$6,337,337)	66.0
2020	(\$6,337,337)	66.0
2021	(\$6,337,337)	66.0
2022	(\$6,337,337)	66.0

## **Fiscal Analysis**

The bill would require an employee of the Health and Human Services Commission to be a healthcare professional licensed in Texas in order to conduct an inspection of certain long-term care facilities. The bill would also require the Executive Commissioner of HHSC to adopt rules to ensure uniformity of inspections and enforcement of long-term care facilities, and to prepare and deliver a semi-annual progress report on uniform administration, interpretation, and enforcement actions. The bill would establish a Legislative Oversight Committee for long-term care and allow the committee to request reports and other information from HHSC related to facility regulatory and enforcement systems. The bill would require the committee to use existing staff and resources of the Senate and House of Representatives in performing its duties. The bill would take effect September 1, 2017.

## **Methodology**

HHSC indicates that the Regulatory Services divisions currently employs 42.0 Qualified Intellectual Disability Professionals and 2.0 Investigator VIs responsible for the inspection and licensure of Intermediate Care Facilities (ICFs) who do not meet the requirements of being a licensed healthcare professional in Texas. Federal requirements for reimbursement of certain regulatory expenses require QIDPs to assess certain non-medical aspects of these programs. HHSC indicates that to meet the provisions of the bill without losing federal funding would require a separate licensure survey for ICFs. This analysis assumes that HHSC would require an additional 44.0 licensed healthcare professionals (22.0 Nurse III and 22.0 Inspector VI) to conduct a separate licensure survey for ICFs.

This analysis assumes that in order to maintain federal funding for licensure and survey of Nursing Facilities, Regulatory Services would require an additional 22.0 FTEs (11.0 Nurse III and 11.0 Inspector VI) to perform this function for assisted living facilities (ALFs). HHSC indicates that ALF regulatory staff currently perform the same function for Nursing Facilities at a ratio of approximately 80% Nursing Facility and 20% ALF. HHSC indicates that Regulatory Services completed 5,578 ALF visits in fiscal year 2016 at an average of 8 hours per visit, and that this workload would require 22.0 FTEs. HHSC indicates that Regulatory Services currently has 6.0 licensed staff who could focus on the workload associated with ALFs without jeopardizing survey requirements for Nursing Facilities.

The estimated costs for 66.0 additional FTEs, including salaries, benefits, technology costs, and other operating expenses would be \$6,773,069 in fiscal year 2018 and \$6,337,337 in fiscal year 2019 and in each subsequent fiscal year.

This analysis assumes that costs associated with rulemaking, reporting, and responding to requests from the Legislative Oversight Committee for Long-term Care can be absorbed by existing agency staff and resources.

## **Technology**

Estimated technology costs would be \$470,382 in fiscal year 2018 and \$331,716 in fiscal year 2019 and in each subsequent fiscal year.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** UP, KCA, EP, MDI, TBo