

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 25, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **SB481** by Alvarado (Relating to emergency preparedness and response plans for the continued care and safety of nursing facility and assisted living facility residents.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB481, As Introduced: a negative impact of (\$3,404,733) through the biennium ending August 31, 2027.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$1,769,461)
2027	(\$1,635,272)
2028	(\$892,466)
2029	(\$893,839)
2030	(\$895,241)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from GR Match For Medicaid 758</i>	<i>Probable Savings/(Cost) from Federal Funds 555</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,736,883)	(\$32,578)	(\$33,318)	14.0
2027	(\$1,602,822)	(\$32,450)	(\$33,186)	14.0
2028	(\$876,393)	(\$16,073)	(\$16,437)	7.5
2029	(\$877,766)	(\$16,073)	(\$16,437)	7.5
2030	(\$879,168)	(\$16,073)	(\$16,437)	7.5

Fiscal Analysis

This bill amends the Health and Safety Code to require nursing facilities and assisted living facilities throughout the state to adopt and implement an emergency preparedness and response plan for the continued care and safety of residents and the continuity of the facility 's essential building systems during an emergency. This bill would take effect September 1, 2025.

Methodology

The Health and Human Services Commission (HHSC) assumes the agency will conduct an initial review and approval of a nursing facility's (NF) and an assisted living facility's (ALF) emergency preparedness and response plan before the end of the 2026-27 biennium, and subsequent reviews of a NF's and ALF's updated emergency preparedness and response plan during the facility's re-licensure or recertification. HHSC estimates the number of the initial reviews for NFs to be approximately 1,200 facilities with each initial review taking an average six (6) hours to complete and an estimated 2,000 ALFs with each ALF's initial review taking an average ten (10) hours to complete. Additionally, during each review and approval agency staff will verify through onsite visits that emergency power exists and meets the requirements of this bill at each facility. This analysis assumes HHSC would require \$1,769,461 from the General Revenue Fund (\$1,802,779 from All Funds) and 14.0 full-time-equivalents (FTEs) in fiscal year 2026 and \$1,635,272 from the General Revenue Fund (\$1,668,458 from All Funds) and 14.0 FTEs in fiscal year 2027 to implement the provisions of the bill, which would include the initial review and approval of an emergency preparedness and response plan, as laid out in this bill, for each NF and ALF in this State.

This analysis does not contemplate the costs to NFs or ALFs. The bill as introduced does not stipulate Medicaid reimbursement related to power generating equipment; therefore, it is not considered a cost to General Revenue Related Funds.

According to the agency, to implement the provisions of this bill HHSC would require 20.5 FTEs in fiscal year 2026 and 20.5 FTEs in fiscal year 2027, and starting in fiscal year 2028 the agency would require 12.0 FTEs going forward. This analysis assumes, and included in the amounts above, that to implement the provisions of this bill the agency would require 14.0 FTEs with costs totaling \$1,769,461 from the General Revenue Fund (\$1,802,779 from All Funds) in fiscal year 2026 and 14.0 FTEs with costs totaling \$1,635,272 from the General Revenue Fund (\$1,668,458 from All Funds) in fiscal year 2027, and starting in fiscal year 2028 the agency would require 7.5 FTEs going forward. This includes \$135,584 from the General Revenue Fund (\$135,716 from All Funds) in fiscal year 2026 for one-time costs related to the implementation of provisions of this bill.

Local Government Impact

HHSC assumes there would be an significant impact on local governments, as a number of nursing facilities are owned or operated by local government entities; however, this analysis cannot determine the direct impact to local governments. Based on HHSC's Generator Availability in Nursing Facilities and Assisted Living Facilities report (August 2022), approximately 99 percent of nursing facilities reported having a power generator and 47 percent of assisted living facilities reported having a power generator; however, this report does not account for this bill's provisions and facilities may not be in full compliance with current power generating equipment.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, LBl, NV