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FISCAL IMPACT REPORT

| SPONSOR: | Robinson | DATE TYPED: | 2-24-01 | HB | |
|-------------------------------------|----------|-----------------|-----------|----|-----------|
| SHORT TITLE: Staff Support for Nurs | | sing Facilities | lities SB | | 227/aSPAC |
| | | | ANALYST: | | Taylor |

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring | Fund |
|-------------------------|------------|-----------------------------|-------------|------------|---------------|
| FY01 | FY02 | FY01 | FY02 | or Non-Rec | Affected |
| | \$ 4,000.0 | | | Recurring | General Fund |
| | | | \$ 10,942.0 | Recurring | Federal Funds |

Duplicates/Relates to Appropriation in The General Appropriation Act: None

SOURCES OF INFORMATION

Human Services Department Health Policy Commission

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment strikes the language saying that neither the department nor the facilities may retain any of the appropriation for administrative purposes. Replacement language then states the Human Services Department is responsible for ensuring the money is used for the intended purpose only, and the restriction on use for administrative purposes is retained. Money not used for the benefit of direct care providers is to be returned to the general fund. The amendments also define direct care providers to include registered nurses, licensed practical nurses, and certified nursing assistants assigned to direct resident care.

The amendment does not alter the fiscal implications of the bill.

Synopsis of Original Bill

Senate Bill 227 appropriates \$4,000.0 from the general fund to the human services department for the purpose of providing funds for the recruitment, retention and salary enhancement of direct care providers in licensed nursing homes. The department and recipient facilities are restricted from using any of the appropriation for administrative purposes.

PERFORMANCE IMPLICATIONS

The Human Services Department did not suggest any performance measures. Possible measures that the agency might try to track include:

- 1. The average wage increase to direct providers.
- 2. The number of persons providing direct services at the end of the year compared to the prior year.
- 3. Provider turnover rates.

FISCAL IMPLICATIONS

The appropriation of \$4,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

According to HSD, the general fund appropriation could leverage \$10,942 in federal funds, assuming it could be matched with federal medicaid dollars. However, the department reports for this to happen, the bill language should be amended so the department has the legal authority to implement the appropriation in the medicaid program. Specifically, they say that the language should provide direction as to whether they should use the money for lump-sum payments to nursing homes or to increase the nursing home per-diem rate.

The HPC notes that inadequate pay at nursing homes is a national problem. President Clinton had proposed \$1 billion to address the nursing home staffing problem.

BT/njw