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### FISCAL IMPACT REPORT

SPONSOR:	Sanchez M	DATE TYPED:	03/01/01	HB	
SHORT TITLE:	Long-Term Care Adn	ninistrators Act		SB	477/aSPAC
			ANAL	YST:	Wilson

### **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring	Fund
FY01	FY02	FY01	FY02	or Non-Rec	Affected
	\$ 100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

### **REVENUE**

Estimated Revenue			Subsequent		Recurring	Fund
FY01	FY02		Years Impact		or Non-Rec	Affected
	\$	62.5	\$	50.0	Recurring	Regulation and Licensing/Nursing Home Administra- tors Fund

(Parenthesis () Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Agency on Aging (AOA) Board of Nursing (BN) Regulation and Licensing (RLD)

#### SUMMARY

### Synopsis of SPAC Amendment

The Senate Public Affairs amendment adds a \$100,000 appropriation from the general fund to the Regulation and Licensing Department for the purpose of administering the Long-Term Care Administrators Act for fiscal year 2002. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

## Synopsis of Original Bill

SB 477 amends the Nursing Home Administrator Act to the Long Term Care Administrators Act and adds Adult Residential Care Facilities Administrators. SB 477 expands the Board of Nursing which is now called the Long Term Care Administrators Board by four members. SB 477 allows nursing facility administrators to receive a license as residential care facility administrators without additional testing and requires the Board to adopt and implement an examination for licensure as an adult residential care facility administrator.

## Significant Issues

The AOA supports SB 477 for the following reasons:

- C SB 477 recognizes adult residential care facility administrators as a profession.
- C SB 477 creates professional standards for administrators of adult residential care facilities. Current regulations require licensure of adult residential care facilities, but leave administrators unlicensed. There is no accountability for an individual residential care facility administrator if severe problems develop. An administrator may move to another facility and re-create the same problems with no one authorized to intervene.
- C SB 477 will increase awareness of residents' needs and reduce the incidence of facilities attempting to provide a level of care for which they are not qualified.
- C SB 477 increase education about, and prevention of, abuse, neglect and exploitation.
- C SB 477 will enhance the quality and appropriateness of care for long-term care residents.

# FISCAL IMPLICATIONS

RLD says that there needs to be a one time start-up cost appropriation of \$100,000. This would include one FTE with space, supplies and travel. RLD also wants funding to promulgate the rules and for the additional meetings and the additional Board members. RLD is also would like an ongoing general fund appropriation to support the added FTE.

Revenue will be up to \$250 per licensed administrator. Currently there are about 250 of these facilities in New Mexico. Estimated revenue is up to \$62,500. Renewal fees maybe as high as \$200 which would give a recurring revenue of \$50,000.

## ADMINISTRATIVE IMPLICATIONS

See Fiscal Implications

## **OTHER SUBSTANTIVE ISSUE**

Advocating for the frail and vulnerable elders of New Mexico is a primary purpose of the AOA. They believe that SB 477 needs to be enacted in order to create professional standards for adult residential care facility administrators so that the frail and vulnerable adults at risk for abuse, neglect and exploitation can be protected.

DW/ar/njw