

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1347 HB	<b>Title:</b> Long-term care facilities	<b>Agency:</b> 300-Dept of Social and Health Services
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
General Fund-Federal 001-2	10,106,000	10,175,000	20,281,000		
<b>Total \$</b>	10,106,000	10,175,000	20,281,000		

### Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
General Fund-State 001-1	9,644,000	10,160,000	19,804,000	1,368,000	4,000
General Fund-Federal 001-2	10,106,000	10,175,000	20,281,000	0	0
<b>Total \$</b>	19,750,000	20,335,000	40,085,000	1,368,000	4,000

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The bill directs the department to establish detailed emergency response plans for long-term care facilities licensed under 18.51, 18.29, and 70.128 RCW.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Title XIX

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

This bill adds a new section to chapter 43.20A RCW.

Section 1 directs the department to establish emergency response plans for all long-term care facilities licensed under chapters 18.51, 18.29, and 70.128 RCW. The emergency response plans shall include detailed written plans and procedures to address potential emergencies and disasters such as fires, earthquakes, floods and wind storms. The plans must provide for an alternative source of power for the facility. The facility needs to coordinate its emergency response plan with a local organization for emergency management.

There are 2,400 licensed adult family homes (AFH) and it is estimated that it will cost \$5,000 per AFH for purchasing and installing generators. There are 550 licensed boarding homes and it is estimated that it will cost \$50,000 per BH for purchasing and installing generators. This estimate does not include costs for any new facilities that may open nor does it include on-going maintenance costs or fuel to operate the generators.

Residential Habilitation Centers (RHCs) are required to adhere to the same rules as nursing homes, BH and AFH. Currently, Lakeland Village has seven cottages that do not have emergency power to comply with the 72 hour rule. These seven cottages are certified under the BH regulations. If this bill passed, the department would be required to provide emergency power to support these seven cottages. The capital impact to bring these cottages into compliance is estimated at \$1,950,000. The assumptions are as follows: design \$320,000; permits, advertisement is \$30,000; and construction, fixed equipment and tax is estimated to be \$1,600,000. The design, permits, and beginning of construction would start in FY09 and is estimated at \$585,000, the construction would continue into FY10 and is estimated to cost \$1,365,000. The actual cost would be determined after completion of an emergency power generator and emergency power grid assessment. On-going maintenance costs start six months into FY10 and are estimated as follows: oil, filters, spark plugs, fuel, etc. will cost approximately \$1,600 per year. It is estimated that \$800 will be needed in FY10 and \$1,600.00 will be needed in FY11 and beyond. Maintenance staff costs \$35 per hour x 12 hours per year = \$420. Batteries need replacing every 5 years for \$1,000 starting in FY2015. The maintenance costs included in this fiscal note are routine costs for Lakeland Village and do not include costs if there was an actual emergency. If there was an actual emergency, the estimated cost would be 10 gallons of fuel \$30.00 and labor including overtime would \$50.00 an hour. These estimates are not included in the fiscal note.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services				3,000	4,000
G-Travel					
J-Capital Outlays		585,000	585,000	1,365,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	19,750,000	19,750,000	39,500,000		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
<b>Total:</b>	\$19,750,000	\$20,335,000	\$40,085,000	\$1,368,000	\$4,000

### III. C - Expenditures By Program (optional)

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Developmental Disabilities (040)	2,115,000	2,098,000	4,213,000	3,000	4,000
Long Term Care (050)	17,635,000	17,652,000	35,287,000		
Capitol Programs (900)		585,000	585,000	1,365,000	
<b>Total \$</b>	19,750,000	20,335,000	40,085,000	1,368,000	4,000

## Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

Construction Estimate	FY 2008	FY 2009	2007-09	2009-11	2011-13
Acquisition					
Construction		235,000	235,000	1,365,000	
Other		350,000	350,000		
<b>Total \$</b>		585,000	585,000	1,365,000	

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## Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

This bill will require the department to amend WAC chapters 388-97, 388-78A and 388-76.

# HB 1347 - Emergency Response Plans for LTC Facilities

Facility Type	# of Licensed Facilities	Estimated Cost per Facility <sup>1</sup>	Total Cost <sup>2</sup>
Adult Family Home	2,400	\$5,000	\$12,000,000
Boarding Home	550	\$50,000	\$27,500,000
Total Cost			<b>\$39,500,000</b>

## Program Split (Based on Oct 06 Caseload Forecast)

### Adult Family Home

	FY08 Avg Caseload	% of Total Caseload	FY08 Estimated Cost	FY09 Avg Caseload	% of Total Caseload	FY09 Estimated Cost	07/09 BI
LTC	4,112	71.98%	\$4,319,000	4,326	72.21%	\$4,332,000	\$8,651,000
DDD	1,601	28.02%	\$1,681,000	1,665	27.79%	\$1,668,000	\$3,349,000
Total	5,713	100.00%	\$6,000,000	5,991	100.00%	\$6,000,000	\$12,000,000

### Boarding Home

	FY08 Avg Caseload	% of Total Caseload	FY08 Estimated Cost	FY09 Avg Caseload	% of Total Caseload	FY08 Estimated Cost	07/09 BI
LTC	6,444	96.84%	\$13,316,000	6,507	96.87%	\$13,320,000	\$26,636,000
DDD	210	3.16%	\$434,000	210	3.13%	\$430,000	\$864,000
Total	6,654	100.00%	\$13,750,000	6,717	100.00%	\$13,750,000	\$27,500,000

### Total

	FY08	FY09	07/09 BI
LTC	\$17,635,000	\$17,652,000	\$35,287,000
DDD	\$2,115,000	\$2,098,000	\$4,213,000
Total	\$19,750,000	\$19,750,000	\$39,500,000

FMAP

### State / Federal Split

FY08	0.5117
FY09	0.5152

	FY08			FY09			07/09 BI		
	GF-S	GF-F	Total	GF-S	GF-F	Total	GF-S	GF-F	Total
LTC	\$8,611,000	\$9,024,000	\$17,635,000	\$8,558,000	\$9,094,000	\$17,652,000	\$17,169,000	\$18,118,000	\$35,287,000
DDD	\$1,033,000	\$1,082,000	\$2,115,000	\$1,017,000	\$1,081,000	\$2,098,000	\$2,050,000	\$2,163,000	\$4,213,000
Total	\$9,644,000	\$10,106,000	\$19,750,000	\$9,575,000	\$10,175,000	\$19,750,000	\$19,219,000	\$20,281,000	\$39,500,000

### Assumptions

<sup>1</sup>Estimated cost is for purchasing and installing generators. AFH estimate from J. Neff. BH estimate from D. Swanson at DOH construction review.

<sup>2</sup>Since no date was specified as to when facilities must meet requirement, split costs 50/50 between FYs.

Estimate does not include any additional FTE for administration of funds; it is assumed that this would be the responsibility of the State Fire Marshall's Office as they have fire & safety responsibility / authority over NH and boarding homes.

See fiscal note for capital and operating components at Lakeland Village.