



Senate

General Assembly

File No. 350

January Session, 2005

Substitute Senate Bill No. 1088

Senate, April 14, 2005

The Committee on Planning and Development reported through SEN. COLEMAN of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING FIRE SPRINKLERS IN NURSING HOMES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (f) of section 29-315 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (f) (1) Not later than [July 1, 2005] July 31, 2007, each chronic and
5 convalescent nursing home or rest home with nursing supervision
6 licensed pursuant to chapter 368v shall have [an] a complete automatic
7 fire extinguishing system approved by the State Fire Marshal [on each
8 floor] installed throughout such nursing or rest home. Not later than
9 July 1, 2004, the owner or authorized agent of each such home shall
10 submit plans for the installation of such system, signed and sealed by a
11 licensed professional engineer, to the local fire marshal and building
12 official within whose jurisdiction such home is located or to the State
13 Fire Marshal, as the case may be, and shall apply for a building permit

14 for the installation of such system. The owner or authorized agent shall
15 notify the Commissioner of Public Health of such submission.

16 (2) On or before July 1, 2005, and quarterly thereafter, each chronic
17 and convalescent nursing home or rest home with nursing supervision
18 licensed pursuant to chapter 368v shall submit a report to the local fire
19 marshal describing progress in installing the automatic fire
20 extinguishing systems required under subsection (a) of this section. In
21 preparing such report each such nursing home or rest home shall
22 conduct a facility risk analysis. Such analysis shall include, but not be
23 limited to, an analysis of the following factors: Type of construction,
24 number of stories and residents, safeguards in the facility, types of
25 patients, travel distance to exits and arrangement of means of egress.
26 After review of the report, the local fire marshal may require the
27 nursing home or rest home to implement alternative fire safety
28 measures to reduce the level of risk to occupants before installation of
29 automatic fire sprinklers is completed.

30 Sec. 2. (NEW) (*Effective from passage*) On or before July 1, 2005, each
31 chronic and convalescent nursing home or rest home with nursing
32 supervision licensed pursuant to chapter 368v of the general statutes
33 shall submit a plan for employee fire safety training and education to
34 the Commissioners of Public Health and Public Safety. The
35 commissioners shall review each such plan and may make
36 recommendations they deem necessary. Once approved or revised,
37 such plan shall not be required to be resubmitted until further revised
38 or there is a change of ownership of the nursing or rest home.

39 Sec. 3. (NEW) (*Effective July 1, 2005*) (a) The Connecticut Health and
40 Educational Facilities Authority shall develop a loan program for the
41 purpose of providing financial assistance to owners of chronic and
42 convalescent nursing homes or rest homes with nursing supervision
43 licensed pursuant to chapter 368v of the general statutes for costs
44 incurred in installing automatic fire extinguishing systems, including
45 smoke detectors and warning equipment, approved by the State Fire
46 Marshal and required by subsection (f) of section 29-315, as amended

47 by this act.

48 (b) There is established, within the Connecticut Health and
49 Educational Facilities Authority, a revolving loan account for the
50 purpose of the loan program authorized by this section. The revolving
51 loan account shall contain any moneys provided or required by law to
52 be deposited in the account. The authority may accept contributions
53 from any source, public or private, for deposit in the account for
54 purposes of the loan program.

55 (c) Loans made pursuant to this section shall have such terms and
56 conditions, and shall be subject to such eligibility, loan approval, credit
57 and other underwriting requirements and criteria as are determined by
58 the authority to be reasonable in light of the objectives of the loan
59 program.

60 (d) On or before October 1, 2006, and annually thereafter so long as
61 the loan program remains active, the authority shall submit to the joint
62 standing committees of the General Assembly having cognizance of
63 matters relating to public health, public safety and security and
64 housing a report, in accordance with section 11-4a of the general
65 statutes, setting forth the following information: (1) A list of the loans
66 made under the program and a general description of the terms and
67 conditions of such loans and the repayment history; (2) an assessment
68 of the impact of such loans on compliance with the requirements of
69 section 1 of this act; (3) the need for additional funding for the loan
70 program authorized by this section; and (4) such other information as
71 the authority deems relevant to evaluating the success of the loan
72 program in meeting its objectives.

73 (e) In connection with the making and administration of loans
74 pursuant to this section, the authority shall have and may exercise
75 such powers as are necessary or appropriate to carry out the purposes
76 of this section, including the same powers expressly granted to the
77 authority in section 10a-180 of the general statutes with respect to
78 other loans.

79 (f) No loan may be made pursuant to this section after June 30, 2008,
 80 and any moneys then remaining in, or thereafter received to the credit
 81 of, the account established in subsection (b) of this section may be
 82 withdrawn by the authority from such account and used for other
 83 purposes of the authority, subject to specific restrictions governing any
 84 contribution to such account pursuant to subsection (b) of this section.

85 (g) The authority shall adopt written procedures, in accordance with
 86 section 1-121 of the general statutes, to carry out the provisions of this
 87 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	29-315(f)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2005</i>	New section

HSG *Joint Favorable C/R* PD

PD *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Public Safety, Dept.; Public Health, Dept.	GF - None	None	None
Social Services, Dept.	GF - See Below	See Below	See Below
Connecticut Health and Educational Facilities Authority	CHEFA - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires that the Departments of Public Health (DPH) and Public Safety (DPS) review employee fire safety training and education plans (to be submitted by July 1, 2005) from each of 247 nursing homes. In subsequent years, review would only be required when a home's plan is revised or a change of ownership occurs. Since the DPH currently reviews these facility's employee fire safety training and education programs as part of its regulatory process, no fiscal impact is anticipated.

The transaction costs associated with the program will be financed as part of the bond issue. Any annual fees for letter of credit or liquidity providers will be added to the annual increase in fair rent on the Medicaid and Self-pay census. CHEFA start-up expenses, estimated to be approximately \$25,000, will be absorbed in the existing CHEFA budget. The assessment will result in additional cost to the State as an increase in the fair rent component of the Medicaid rate will be required to repay the bonds. The annual cost to the State will depend upon the rate of interest on the bonds, the term and the amount financed.

The Medicaid program pays for approximately two-thirds of nursing home costs in the state. Certain facility upgrades, including the addition of sprinkler systems, are considered allowable Medicaid costs. Therefore, the Department of Social Services (DSS) will build the Medicaid share of the amortized cost of such a system into the Medicaid per diem reimbursement rate paid to the home. Delaying the required implementation date for mandatory sprinkler systems may delay Medicaid rate increases to homes that take advantage of the delay. The number of homes that would take advantage of this delay, and therefore the savings from delayed rate increases, is not known at this time. DSS is expected to spend an additional \$3.5 million in Medicaid rate increases in FY06 to fund the upgrades required under current statute.

The bill further allows fire marshals to require nursing homes to install smoke detection and warning equipment. It is likely that DSS would also build the Medicaid share of the amortized cost of such systems into the Medicaid per diem reimbursement rate paid to the home. The number of homes required to install such systems, and therefore the potential cost to Medicaid are not known.

OLR Bill Analysis

sSB 1088

AN ACT CONCERNING FIRE SPRINKLERS IN NURSING HOMES**SUMMARY:**

This bill extends the deadline for each chronic and convalescent nursing home and rest home with licensed nursing supervision (nursing home) to install automatic fire extinguishing systems, expands the scope of reporting requirements, and adds training requirements. Under current law, each nursing home must have an automatic fire extinguishing system approved by the state fire marshal on each floor by July 1, 2005. The bill extends the deadline, by two years, to July 31, 2007; specifies that the system should be complete; and requires it to be installed throughout the nursing home instead of on each floor.

It requires the Connecticut Health and Educational Facilities Authority (CHEFA) to create and administer a loan program for nursing homes to use for extinguishing system installation.

EFFECTIVE DATE: Upon passage, except the CHEFA requirements take effect July 1, 2005.

AUTOMATIC FIRE EXTINGUISHING SYSTEM INSTALLATION REPORTS***Reporting***

The bill requires each nursing home, by July 1, 2005, and quarterly after that, to submit a report to the local fire marshal describing its progress in installing the automatic fire extinguishing systems required by law. The report must incorporate a facility risk analysis of the:

1. type of construction,
2. number of stories and residents,

3. safeguards in the facility,
4. types of patients, and
5. travel distance to exits and arrangement of exits.

After reviewing the report, the local fire marshal may require the nursing home to implement alternative fire safety measures to reduce the risk level to occupants before installation of automatic fire sprinklers is completed.

Under existing law, by July 1, 2004, the owner or authorized agent of each nursing home must have submitted plans for the installation of the system, signed and sealed by a licensed professional engineer. He must have sent the plans to the local fire marshal and building official within the jurisdiction where the home is located, or to the state fire marshal and must have applied for a building permit to install the system. The bill requires the owners or their agents to notify the public health commissioner that they submitted the 2004 permit application.

Training

By July 1, 2005, each nursing home must submit a plan for employee fire safety training and education to the public health and public safety commissioners. The commissioners must review each plan and may make recommendations they deem necessary. Once approved or revised, the commissioners cannot require the plan to be resubmitted until it is further revised or the nursing home changes ownership.

CHEFA

CHEFA must develop a loan program to provide financial assistance to nursing home owners for costs they incur in installing automatic fire extinguishing systems, including smoke detectors and warning equipment, approved by the state fire marshal and required by law.

The bill establishes a revolving loan account in CHEFA for the program. The account contains any money required to be deposited in it. CHEFA may accept contributions from any source, public or private, for deposit in the account. CHEFA has the powers necessary or appropriate for the loan program, including the same powers it has by law.

The authority determines, as it deems reasonable, (1) loan terms and program conditions and (2) eligibility, loan approval, credit, and other underwriting requirements and criteria.

Loan authority sunsets on June 30, 2008. CHEFA may use the money remaining in the account, or received after the sunset for its other purposes, subject to specific restrictions on donated funds.

The authority must submit a report by October 1, 2006, and annually thereafter, as long as the loan program remains active, to the Public Health, Public Safety and Security, and Housing committees. The report must set forth:

1. a list of the loans made under the program and a general description of their terms, conditions, and repayment history;
2. an assessment of the impact of such loans to allow compliance with the bill;
3. the need for additional funding for the program; and
4. other information the authority needs to evaluate the success of the program in meeting its objectives.

CHEFA must adopt written procedures (with approval of its board and required notice) for the program.

BACKGROUND

Installation Plans

By law, anyone who fails to install an automatic fire extinguishing system is subject to a civil penalty of up to \$1,000 for each day the violation continues. The attorney general, upon request of the state fire marshal, must institute a civil action to recover the penalty.

CHEFA

CHEFA assists institutions of higher education, health care institutions, nursing homes, childcare or child development facilities, and qualified nonprofits in the construction, financing, and refinancing

of projects or other authorized purposes. It issues bonds to finance projects for qualified hospitals, health care centers, nursing homes, and other health care institutions.

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Change of Reference

Yea 11 Nay 0

Planning and Development Committee

Joint Favorable Substitute

Yea 18 Nay 0