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FISCAL NOTE(Form 3)
(Office of Fiscal Analysis)
Analyst: *W/MCG/4/20/92*
tk
Version: 1

BILL NUMBER: sSB 253
FILE NUMBER:
AMENDMENTS: House "A"

TITLE: "AN ACT CONCERNING FAMILY CARE HOMES FOR THE MENTALLY ILL"

FAVORABLY REPORTED BY Public Health, Appropriations

EFFECTIVE DATE: Upon Passage

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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 253

STATE IMPACT Future Savings, see below
MUNICIPAL IMPACT None
STATE AGENCY(S) Department of Health Services,
Department of Income Maintenance,
Department of Mental Health

	Current FY	1992-93	1993-94
State Cost (savings)	:	:	(\$93,298)
St Revenue (loss)	:	:	:
Net St Cost (savings)	:	:	:
Municipal Impact	:	:	:

EXPLANATION OF ESTIMATES:

It is estimated that passage of this bill as amended would result in a future savings to the Department of Income Maintenance and a future savings to the Department of Health Services. Currently, family care homes are classified as "mental health facilities"; however, unlike other mental health facilities, family care homes are not considered treatment facilities. They are not required to have a professional staff and do not offer nursing, medical, or habilitative services. Providers are just expected to provide room and board, limited personal care and supervision. Residents usually come from inpatient Department of Mental Health (DMH) facilities and live in the homes on a voluntary basis after a recommendation by DMH. Currently, there are 42 clients being served by 21 family care homes throughout the State with a total of 67 licensed beds.

Passage of this bill as amended would suspend any additional licensing of family care homes until September 30, 1993; however, this would have no real impact upon the ability of DMH to refer clients to family care homes in the coming few years. Currently, there are 25 unfilled licensed beds to meet future demands for this residential option. Considering that there were only four new placements into family care homes last year, new licensed family care homes would not be necessary.

Under this bill as amended, after October 1, 1993, the 21 family care homes now licensed would no longer be classified as "mental health facilities", as they would no longer be licensed or inspected by DOHS as such. However, such a change would not preclude current providers from housing DMH clients. This is possible because a provider may still operate and clients may decide to live in the home even though it is no longer a family care home.

However, DIM benefits paid to the clients would be reduced after October 1, 1993. Currently, 38 residents receive DIM benefits; however, the change from licensed status to unlicensed status changes the shelter and personal needs components and the rate of deductible income used to calculate DIM benefits. Currently, DIM benefits to the 38 residents (i.e., 33 disabled cases and 5 aged cases) total \$169,030 annually. As a result of elimination of licensing for the family care homes, these DIM benefits would be reduced to \$44,633 annually, after October 1, 1993. Therefore, the pro-rated SFY 93-94 savings to DIM would be approximately \$93,298. It should be noted that such benefits are not subject to federal reimbursement.

Currently, DOHS employs one person who is responsible for the overall inspection process for all mental health and substance abuse programs. Under this bill, as amended, after October 1, 1993, this individual would not perform the biennial inspections as well as complaint investigations and follow-up visits for the 21 family care homes. This would result in a cost savings to DOHS; however, it is anticipated that these resources will be reallocated, as the inspector would intensify the inspection process for the other programs.

House "A" would prohibit DOHS from initially licensing family care homes from the effective date of the bill until September 30, 1993. The original bill would have extended this moratorium until the Public Health Committee had made a recommendation to the legislature on licensure resumption. If the Public Health Committee would have recommended licensure resumption before September 30, 1993, the amendment may or may not prevent the licensure of additional family care homes. However, as the bill already provides that as of October 1, 1993, family care homes for mentally ill people will no longer be licensed by DOHS, and as no

new family care homes are expected to be licensed from the effective date of the bill to September 30, 1993, no fiscal impact is expected to result from the amendment.