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FISCAL NOTE(Form 1) BILL NUMBER: sSB 472
 (Office of Fiscal Analysis) FILE NUMBER:
 Analyst: LV/EG 4/1/92 AMENDMENTS:
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 Version:

TITLE: "AN ACT CONCERNING THE CONSTRUCTION OF NURSING HOMES"
 FAVORABLY REPORTED BY Human Services

EFFECTIVE DATE: 10/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 472

STATE IMPACT	Future Potential Cost Avoidance, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Department of Income Maintenance, Commission on Hospitals and Health Care

EXPLANATION OF ESTIMATES:

It is estimated that passage of the bill may result in a potential future cost avoidance to the Department of Income Maintenance (DIM). As the bill would extend the moratorium on certificates of need (CON) for new nursing home beds granted by the Commission on Hospitals and Health Care (CHHC), it may result in a reduction in the number of additional nursing home beds available in the future. To the extent those beds would have been filled with patients eligible for State Medical Assistance (Medicaid), a cost avoidance for the DIM would ensue.

A provision of the bill would allow the Commission to accept joint requests from CON owners to merge their CONs into one CON for a single facility. These mergers would have to result in less costly facilities having fewer beds. As this conforms to the current practice of the CHHC, no fiscal impact is anticipated to result.

The bill may result in a temporary reduction in the workload of the CHHC since they would not be allowed to accept applications for CONs for new nursing home beds during the extended moratorium. This would allow the CHHC to devote more time to other mandates. CHHC would still have to accept, and process, the backlog of applications once the moratorium is lifted. It is anticipated that no fiscal impact would result to the CHHC.

It should be noted that in Subsection 4, Section (h) of the bill, the definition of when a construction shall be deemed to have begun is unclear. Subsection (h) would seem to infer that the structure approved in the

CON must be completed before construction shall be deemed to have begun. The resulting fiscal impact is, therefore, uncertain.