

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2261 - SB 2117

February 18, 2024

SUMMARY OF BILL: Establishes a home for the aged that houses three or fewer nonrelated persons as a tier 1 home for the aged, subject to licensure by the Department of Intellectual and Developmental Disabilities (DIDD). Grants DIDD the sole authority to issue and revoke licenses for tier 1 homes for the aged and allows DIDD to determine whether or not an institution or agency comes within the scope of regulation. Authorizes a tier 1 home for the aged that is licensed by the DIDD to permit an unlicensed employee to administer medication to a resident.

Establishes a home for the aged that houses four or more nonrelated persons as a tier 2 home for the aged, subject to licensure by the Health Facilities Commission (HFC). Establishes that a tier 2 home for the aged may administer medications to residents only if the home employs or contracts with a physician, an advanced practice registered nurse, or physician assistant to administer medications to residents.

FISCAL IMPACT:

Increase State Revenue – \$2,000/FY23-24 and Subsequent Years

**Increase State Expenditures – \$213,200/FY24-25
\$203,200/FY25-26 and Subsequent Years**

Other Fiscal Impact – The Department of Intellectual and Developmental Disabilities may need additional resources including, but not limited to, eventually employing additional staff. The extent and timing of the needed resources will be dependent on the growth of the licensing program and cannot be reasonably quantified at this time.

Assumptions:

- Pursuant to Tenn. Code Ann. § 68-11-201(19), a home for the aged is a home represented and held out to the general public as a home which accepts primarily aged persons for relatively permanent, domiciliary care, and provides room, board and personal services to four or more related persons.
- Homes for the aged are currently licensed by the Board for Licensing Health Care Facilities (Board) under the HFC. On July 1, 2024 all licensing duties will shift directly to HFC.

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- There are currently 42 licensed homes for the aged, which will continue to be licensed as tier 2 homes by the HFC.
- The proposed legislation creates a new licensure category under DIDD for homes for the aged that house three or fewer nonrelated persons.
- Based on information provided by the HFC, the proposed legislation is not estimated to have a significant impact on the operations of the commission or result in a change in licensing revenue.
- The number of homes that house three or fewer nonrelated persons and that will require licensing as tier 1 homes for the aged under the provisions of this legislation is unknown. However, based on the number of homes licensed by HFC, it is assumed that the number of such homes will be relatively low. For the purposes of this analysis, it is assumed that 10 such homes will be licensed by DIDD.
- HFC currently has the licensure fee of \$390 for homes for the aged that serve four to five individuals, and a licensure fee of \$1,404 for adult care homes.
- Assuming DIDD sets the licensure fee to be the same as HFC’s current fee for homes for the aged, there will be an increase in state revenue of \$3,900 (\$390 x 10) every two years, or \$1,950 (\$3,900 / 2 years) per year in FY24-25 and subsequent years.
- DIDD did not respond to requests for information on this legislation. It is assumed that DIDD will need to hire one Aging Program Director and one Licensing Consultant 2, which will result in a recurring increase in state expenditures, beginning in FY24-25, as follows:

Title	Salary	Benefits	Travel, Supplies	# Positions	Total
Program Director	\$98,904	\$24,016	\$8,750	1	\$131,670
Licensing Consultant	\$47,304	\$15,456	\$8,750	1	\$71,510
				Total:	\$203,180

- There will be a one-time increase in state expenditures in FY24-25 of \$10,000 for setup.
- The total increase in state expenditures is estimated to be \$213,180 (\$203,180 + \$10,000) in FY24-25 and \$203,180 in FY25-26 and subsequent years.
- DIDD may need additional resources including, but not limited to, eventually employing additional staff. The extent and timing of the needed resources will be dependent on the growth of the licensing program and cannot be reasonably quantified at this time.
- DIDD currently operates a program to train certain unlicensed employees to administer medication. Instructors are compensated by the department at a rate of \$50 per student. If the proposed legislation results in a significant increase in trainees in those programs then expenditures to DIDD for compensation will increase.
- Such increases in expenditures and revenue are dependent on a number of unknown factors but are assumed to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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