



**CORRECTED
FISCAL MEMORANDUM**

HB 2261 - SB 2117

February 21, 2024

SUMMARY OF BILL AS AMENDED (013436): 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, physician assistant, a licensed practical nurse, or a registered nurse to administer medications to residents in a manner that complies with such practitioner's practice act.

FISCAL IMPACT OF BILL AS AMENDED:

Due to incomplete information, the original fiscal impact estimate, issued on February 18, 2024, was determined to be in error. Based on new information received from the Department of Intellectual and Developmental Disabilities, the fiscal impact has been corrected as follows:

(CORRECTED)

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

Assumptions for the bill as amended:

- 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.
- There are currently 42 licensed homes for the aged, which will continue to be licensed as tier 2 homes by the HFC.

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- 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 ($\390×10) every two years, or \$1,950 ($\$3,900 / 2$ years) per year in FY24-25 and subsequent years.
- Based on information provided by DIDD, the department will be able to accommodate any additional licensing duties utilizing existing personnel and resources, without a significant increase in expenditures.
- 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.



Krista Lee Carsner, Executive Director

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