

FISCAL DETAILS COMPROMISE LEGISLATION

VULNERABLE ADULTS PROTECTION AND ASSISTED LIVING LICENSURE

May 12, 2019

Fiscal impact to the Dept. of Health

Annual costs (or savings) and staff for fiscal year 2020 to 2023

Fund	Description	Amount in thousands				FTE			
		2020	2021	2022	2023	2020	2021	2022	2023
GF	Assisted living licensure start up	\$2,218	\$5,114	\$0	\$0	10.70	37.60	0.00	0.00
SGSR	Assisted living licensure	\$0	\$0	\$8,131	\$8,339	0.00	0.00	55.67	55.67
SGSR	Assisted living licensure fees	(\$4)	(\$4)	(\$8,352)	(\$8,352)				
SGSR	Assessment fines transfer to dedicated account	\$632							
DED	Assessment fines transfer from SGSR	(\$632)							
DED	Assessment fines immediate enforcement	(\$1,629)	(\$1,629)						
GF	Regulatory capacity: State licensing	\$3,013	\$3,013	\$3,013	\$3,013	21.18	21.18	21.18	21.18
SGSR	Regulatory capacity: Home care and assisted living	\$1,103	\$1,103	\$0	\$0	8.00	8.00	0.00	0.00
GF	Case management system	\$2,220	\$0	\$1,600	\$1,169	1.30	1.20	1.20	1.20
GF	Common entry point and MAARC enhancements	\$175	\$75	\$30	\$30	0.00	0.00	0.00	0.00
GF	Reporting website	\$1,077	\$504	\$447	\$447	1.40	1.20	1.20	1.20
GF	Data analysis and reporting	\$744	\$501	\$501	\$501	4.75	4.30	4.30	4.30
GF	Communications and engagement	\$209	\$209	\$209	\$209	2.00	2.00	2.00	2.00
	GF total expenditure and FTE	\$9,656	\$9,416	\$5,800	\$5,369	41.33	67.48	29.88	29.88
	SGSR total expenditure and FTE	\$1,103	\$1,103	\$8,131	\$8,339	8.00	8.00	55.67	55.67

Dedicated account (DED)

Full-time equivalent staff (FTE)

Minnesota Adult Abuse Reporting Center (MAARC)

General fund (GF)

State government special revenue fund (SGSR)

Explanation of major fiscal differences between the compromise legislation and HF90-18

Unlike the annual survey requirement in HF90-18A, the compromise legislation provides two-year survey frequency for assisted living providers. The department estimates that it needs fewer survey-related staff—such as nursing evaluators, health program representatives, and engineers—if the regular survey cycle is two years. The change in survey frequency lowered the costs for assisted living licensure in fiscal years 2021 to 2023 for the compromise legislation. In turn, the revenue needed in the state government special revenue fund to recover the cost of licensure in fiscal year 2022 and 2023 is lower in the compromise legislation than HF90-18A.

Assisted living licensure

Expenditure

Itemized expenditure by category for fiscal year 2020 to 2023

Category and item		2020	2021	2022	2023
Compensation:					
<i>Position</i>	<i>Salary and fringe</i>	<i>FTE</i>	<i>FTE</i>	<i>FTE</i>	<i>FTE</i>
Agency policy specialist	\$108,813	1.00	1.00	1.00	1.00
Assistant division director	\$135,033	0.00	0.10	0.10	0.10
Engineer program manager	\$140,277	0.50	0.30	0.30	0.30
Engineer program supervisor (engineer administrative)	\$131,100	0.00	1.00	1.00	1.00
Engineers senior/architects	\$119,957	0.00	2.00	4.00	4.00
Health program representative senior (licensing and enforcement)	\$68,690	2.14	4.14	4.54	4.54
Health program representative supervisor	\$87,916	1.00	1.00	1.02	1.02
Management analyst 1	\$62,460	1.00	6.00	6.15	6.15
Management analyst 2-4	\$58,417	0.00	1.00	1.00	1.00
Management analyst 4 (communications and education)	\$91,770	1.00	1.00	1.00	1.00
Nursing evaluator 2	\$95,165	1.61	15.61	30.11	30.11
Planner principal state	\$78,660	1.00	1.00	1.00	1.00
Program assistant manager (with nursing background)	\$124,380	0.00	1.00	1.00	1.00
Program manager	\$127,294	1.00	1.00	1.00	1.00
Supervisor registered nurse	\$120,447	0.00	1.00	2.00	2.00
Office and administrative specialist	\$56,012	0.07	0.07	0.07	0.07
Health facility evaluator supervisor 1	\$104,205	0.38	0.38	0.38	0.38
<i>Total FTE units</i>		<i>10.70</i>	<i>37.60</i>	<i>55.67</i>	<i>55.67</i>
Subtotal, compensation (salary & fringe x each FTE unit)		\$970,783	\$3,412,484	\$5,191,346	\$5,191,346
Information technology:					
Computer, phone, software and support (\$2,252 x FTE)		\$24,096	\$84,675	\$125,369	\$125,369
MN.IT staff and systems: Electronic corrective action plan		\$49,200	\$196,800	\$73,800	\$49,200
MN-IT staff and systems: Licensing system enhancements		\$200,000	\$40,000	\$40,000	\$40,000
MN-IT staff and systems: Electronic workflow management		\$37,500	\$15,000	\$37,500	\$15,000
Subtotal, information technology		\$310,796	\$336,475	\$276,669	\$229,569
Other operating:					
Materials, supplies, and employee development (\$600 x FTE)		\$6,420	\$22,560	\$33,402	\$33,402
Travel/surveyor		\$53,270	\$189,770	\$284,270	\$161,770
Technical training for staff (\$1,500 x FTE)		\$16,050	\$56,400	\$83,505	\$83,505
Contract survey and investigation work		\$0	\$0	\$300,000	\$450,000

COMPROMISE LEGISLATION FISCAL DETAILS – DEPT. OF HEALTH

Category and item	2020	2021	2022	2023
Training and education for providers	\$20,000	\$20,000	\$20,000	\$20,000
Meeting costs (\$450 x number of sites)	\$4,500	\$9,000	\$9,000	\$2,250
Language access resources	\$20,000	\$20,000	\$20,000	\$20,000
Continuous improvement contract	\$100,000	\$100,000	\$100,000	\$100,000
OAH client appeals for discharge and termination (\$5,270 x 15)	\$0	\$0	\$79,050	\$79,050
OAH license variance or waivers (\$5,780 x 6 in 2022; x 14 in 2023)	\$0	\$0	\$34,680	\$80,920
OAH license appeals (\$21,420 x 6 in 2022; x 14 in 2023)	\$0	\$0	\$128,520	\$299,880
OAH temporary license/conditional license appeals (\$10,710 x 10)	\$0	\$0	\$107,100	\$107,100
Rulemaking	\$302,087	\$0	\$0	\$0
Community review and translation contract	\$11,400	\$0	\$0	\$5,700
Subtotal, other operating	\$533,727	\$417,730	\$1,199,527	\$1,443,577
Subtotal, indirect (23.16% of eligible costs)	\$403,055	\$947,635	\$1,463,143	\$1,474,016
Total	\$2,218,361	\$5,114,324	\$8,130,685	\$8,338,508

Office of Administrative Hearings (OAH)

Revenue

Fees for facility types and capacity and the projected annual revenue beginning in fiscal year 2022

Facility type	Base fee	Number of facilities	Estimated capacity	Per resident fee	Annual Revenue
Assisted living	\$2,000	672	22,757	\$75	\$3,050,775
Assisted living with dementia care	\$3,000	673	32,825	\$100	\$5,301,500
Total		1,345	55,582		\$8,352,275

Annual revenue = (base fee x number of facilities) + (capacity x per resident fee)

Resources

Consolidated Fiscal Note, HF90 - 18A - "Assisted Living Resident Protections" (May 2019). Retrieval at: <https://mn.gov/mmbapps/fnsearch/>

FY2020-21 Governor's Revised Budget Recommendations—Health (March 2019). Available at: <https://mn.gov/mmb-stat/documents/budget/2020-21-biennial-budget-books/governors-recommendations-february/health-department.pdf>