

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 959/ SB 842

SHORT TITLE: Long-Term Care/Dom. Home Managers

SPONSOR(S): Representatives B. Miller; and Mclawhorn/Senators Cooper; and Walker

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase () Decrease ()
No Impact (x)
No Estimate Available ()

FUND AFFECTED: General Fund () Highway Fund () Local Govt. ()
Other Funds (x) receipts from penalties/fines collected

BILL SUMMARY: Adds new GS Chapter 131E, Article 13, providing for temporary management of nursing homes as defined in GS 131E-101 and of domiciliary homes as defined in both GS 131D-2 and 131E-101. The bill permits DHR to petition superior court to appoint a temporary manager of any facility upon showing that conditions in a facility create risk of death or serious physical harm-or that death or harm has already resulted, or that facility is unlicensed, or that license has been revoked or facility is closed or about to close and there are no arrangements for relocating residents. Requires that temporary manager be a Department employee or come from list of qualified persons identified by the Department. Directs the Department to establish temporary management contingency fund of up to \$500,000, from penalties collected for violations by nursing homes and domiciliary homes.

EFFECTIVE DATE: Require DHR to establish contingency fund effective July 1, 1993. The remainder of the bill is effective January 1, 1994.

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Human Resources/Division of Facility Services-Licensure Section

FISCAL IMPACT

Table with 5 columns: FY (93-94), FY (94-95), FY (95-96), FY (96-97), FY (97-98). Rows include REVENUES (GENERAL FUND, HIGHWAY FUND, HIGHWAY TRUST FUND, LOCAL) and EXPENDITURES.

POSITIONS:

ASSUMPTIONS AND METHODOLOGY: It is anticipated that the number of cases where temporary management will be used will not be sufficient to require additional appropriations to conduct the administrative requirements identified in the bill.

SOURCES OF DATA: Licensure Section

TECHNICAL CONSIDERATIONS: The Department received approval from the State Budget Office to budget up to \$36,000 of the fines collected from penalties to replace travel funds which the General Assembly reduced during SFY 91-92. The approval also covers the 1993-95 budget. The data listed below on fines/penalties provides some idea on the potential amount that could be available to establish the contingency fund:

<u>State Year</u>	<u>Amount Collected in Fines/Penalties</u>
90-91	\$65,435
91-92	46,504
92-93	31,560*
93-94	36,438**
94-95	36,438**

* annualized based on fines actually collected thru 4/30/93

** budgeted for 93-95 biennium

FISCAL RESEARCH DIVISION

733-4910

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DATE: May 25, 1993



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