

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** HB 297

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Austin, Terry L.

**3. Committee:** Health, Welfare and Institutions

**4. Title:** Assisted living facility; definition, number of individuals receiving care

**5. Summary:** The proposed legislation increases from four to seven, in the definition of "assisted living facility" as it applies throughout Title 63.2, Welfare (Social Services), the minimum number of individuals who are receiving care in a facility in order for the other requirements of the definition to apply.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Cannot Be Determined** (See Item 8)

**8. Fiscal Implications:**

Facility Licensure

The proposed legislation defines an assisted living facility as having seven or more residents, rather than the current four or more residents. Therefore, a facility would not be required to be licensed by the Department of Social Services (DSS) until there are seven or more aged, infirmed or disabled adults receiving maintenance of care. Moreover, any facility currently caring for between four and six individuals would no longer be required to be licensed by DSS. The department currently licenses 549 assisted living facilities across the Commonwealth. The agency estimates that this bill would reduce that number by approximately 26. The annual application fee for an assisted living facility is \$14, so the loss in revenue to DSS is expected to be minimal ( $\$14 * 26 = \$364$ ).

Auxiliary Grant

An Auxiliary Grant (AG) is an income supplement for individuals who receive Supplemental Security Income (SSI) and certain other aged, blind, or disabled individuals who reside in a licensed assisted living facility (ALF) or an approved adult foster care (AFC) home. The AG payment is made to the ALF or AFC to support the cost of caring for the AG recipient. Individuals are only eligible to receive AG funding if they reside in a licensed ALF or AFC. There is insufficient data to determine the number of AG recipients potentially impacted by this bill. There would be some savings to the Commonwealth associated with fewer participants in the AG program (payments and Medicaid). There are also potential costs to the state depending on where impacted individuals ultimately reside. However, as the

placement of the impacted individuals cannot be predicted (i.e. ALF, nursing home, family), further cost estimates cannot be determined.

**9. Specific Agency or Political Subdivisions Affected:**

Department for Aging and Rehabilitative Services

Department of Social Services

Department of Medical Assistance Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/18/16