

# SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

## FISCAL NOTE, 2016 LEGISLATIVE SESSION

### FISCAL NOTE 2016-SB148A

SB 148 authorizes 24 additional nursing facility beds for the Michael J. Fitzmaurice Veterans Home and declares an emergency.

The move in date for residents of the Michael J. Fitzmaurice State Veterans Home was January 13, 2016. The facility is a 133,000 square foot stacked two-story building with a lower level walkout main entrance. The 100-bed facility contains 52 skilled nursing beds on the main level and 48 non-skilled or residential living beds on the upper level. Senate Bill 148 authorizes an additional 24 nursing facility beds, to bring the total up to seventy-six beds stated in the bill. The additional 24 nursing facility beds would be created from the existing 48 non-skilled or residential living beds.

The Department of Veterans' Affairs has determined that if this bill should pass they are able to utilize existing FY16 money to support the expenses of having 24 additional nursing facility beds for the remainder of FY16. However, they would need additional resources in FY17.

	Beds	% Eligible	Days in Year	Rate		
VA Per Diem	24	0.75	365	58.89	\$	386,907
Medicaid Federal Share	24	0.5	365	130.27	\$	570,583
Medicaid General Fund Match					\$	462,944
<b>Additional Revenue from 24 Nursing Beds</b>					\$	<b>1,420,434</b>

The above chart is an estimate of the additional revenue that the State Veterans Home could receive by having 24 additional nursing facility beds. The Department of Veterans' Affairs has determined that with the passage of this bill they would be able to charge \$58.89 more per veteran per day. The VA Per Diem revenue is only available for veterans and the requirement is that at least 75% of the residents in the Veterans Home are veterans. For example, if a veteran's spouse is also residing in the Veterans Home, the \$58.89 per diem is not received for the spouse. In the chart above, the "% Eligible" column is the required percentage of the 24 beds that would be eligible for the VA Per Diem and Medicaid. The "Rate" column above for the VA Per Diem is the difference between the Nursing Care Rate of \$103.61 and the Independent Living Rate of \$44.72. The "Rate" column above for the Medicaid is the federal share. The General Fund Match of \$462,944 is a requirement in order to obtain the Medicaid Federal share. The above chart depicts an estimated additional total revenue of \$1,420,434 that the State Veterans Home would receive by having 24 additional nursing facility beds.

<b>Position</b>	<b>Hourly Wage</b>	<b>Hours</b>	<b>Annual Salary</b>	<b>Benefits (16% of Salary)</b>	<b>Health Insurance</b>	<b>Total Salary &amp; Benefits</b>	<b>Number Needed</b>	<b>Total FY17 Budget Needed</b>
<b>Homemaker</b>	\$11.93	2096	\$25,005	\$4,001	\$8,347	\$37,353	8.5	\$ 317,502
<b>Certified Homemaker</b>	\$13.07	2096	\$27,395	\$4,383	\$8,347	\$40,125	14	\$ 561,748
<b>Household Coordinator</b>	\$16.01	2096	\$33,557	\$5,369	\$8,347	\$47,273	2	\$ 94,546
<b>LPN</b>	\$17.00	2096	\$35,632	\$5,701	\$8,347	\$49,680	2	\$ 99,360
<b>Nurse II</b>	\$28.95	2096	\$60,679	\$9,709	\$8,347	\$78,735	5	\$ 393,674
<b>Physical Therapist Assistant</b>	\$19.08	2096	\$39,981	\$6,397	\$8,347	\$54,725	1	\$ 54,725
							<b>32.5</b>	<b>\$ 1,521,556</b>
							Budget Need	90%
							<b>Estimated Personal Services Dollars Needed</b>	<b>\$ 1,369,400</b>
<b>Medical Supplies</b>							<b>Estimated Operating Expenses Needed</b>	<b>\$ 51,033</b>
							<b>Total Expenses</b>	<b>\$ 1,420,433</b>

The above chart is an estimate of the additional FTE needed. Currently, Nursing Care Services has 53.4 FTE. The additional 24 beds would require an estimated 32.5 FTE direct care workers. The additional salary and benefit cost for these 32.5 FTE is \$1,521,556. The Department of Veterans Affairs does not require funding to cover 100% of the personal services costs because there is always turnover. For this reason, they have estimated that they would need 90% of the \$1,521,556 or \$1,369,400 in personal services to cover the additional FTE. The chart also includes an increase in medical supplies.

Because the Department already has adequate spending authority for VA Per Diem funds, no new funds would need to be appropriated beyond the state and federal Medicaid Funds shown in the first table. However, the Department would need to shift \$335,874 in Other fund spending authority from Operating Expenses to Personal Services.

APPROVED BY:  /S/ Jason Hancock DATE:  2/29/16