COMMONWEALTH OF KENTUCKY
STATE FISCAL NOTE STATEMENT

GENERAL ASSEMBLY **LEGISLATIVE RESEARCH COMMISSION**
2011 REGULAR SESSION

MEASURE

(x) 2011 BR No. 1051 **(x) House Bill No. 291**

( ) Resolution No. ______ **( ) Amendment No.** ______

SUBJECT/TITLE **An Act relating to health-facility acquired infections**

SPONSOR **Representative Tom Burch**

NOTE SUMMARY

Fiscal Analysis: ____ Impact ____ No Impact _X_ Indeterminable Impact

Level(s) of Impact: ____ State ____ Local ____ Federal

Budget Unit(s) Impact **Department for Public Health; Local Health Departments; Office of the Inspector General**

Fund(s) Impact: _X_ General ____ Road ____ Federal

_X_ Restricted Agency (Type) ______ (Other)

FISCAL SUMMARY

Fiscal Estimates		2010-2011	2011-2012	Future Annual Rate of Change
Revenues	Increase (Decrease)		Indeterminable	
Expenditures	Increase (Decrease)		Indeterminable	
Net Effect	Positive (Negative)		Indeterminable	

MEASURE'S PURPOSE: HB 291 requires the establishment of a program, to be in place by July 1, 2012, to address hospital-acquired infections for high risk areas in an acute or critical care hospital, physical rehabilitation hospital, surgical center, tuberculosis hospital, nursing facility, ambulatory care center, skilled nursing facility or nursing home.

PROVISION/MECHANICS: HB 291 creates new sections of KRS Chapter 216B to define terms; requires each health care facility to implement an infection prevention program for high risk areas and, throughout the facility, by July 1, 2012; requires implementation of best practices that include the development of an infection prevention and control policy and public postings of policies and worker and staff education programs; requires health facilities to report data on health-facility-acquired infections; requires the use of an approved method of data collection and reporting; requires the secretary to implement a method for patients to report by July 1, 2012; requires the secretary to serve as the chief administrative officer for data collection; exempts cabinet employees from liability; requires a report to the Governor and the Legislative Research Commission by January 30 of each year; requires the secretary

to promulgate administrative regulations and set a time schedule for reporting; establishes penalties for violations; state legislative findings in noncodified section.

FISCAL EXPLANATION: This fiscal impact is indeterminable because it is not known if the resulting fines imposed for violating this act will be sufficient to cover the costs of the program. It is noted the health facilities do not have to reach full implementation until July 1, 2012 (next biennium).

Although this fiscal impact is indeterminable, the Cabinet for Health and Family Services provides the following additional analysis:

Although HB 291 establishes monetary penalties for providers for violations, the bill is unclear whether these would be sufficient for implementation of the bill. The bill is silent as to which agency would be the recipient of fines imposed on health facilities. The costs to the Cabinet for Health and Family Services, as a result of this bill, are expected to be significant. At a minimum, the program would need one medical epidemiologist or physician epidemiologist, two data analysts, and one support person. Additional funding would be necessary for other expenditures related to indirect costs, computer systems, travel, equipment, supplies, and training. The program costs for the Cabinet would range from $600,000 to $1 million, an estimate similar to the actual expenditures realized in other states for like programs.

The initial implementation of this bill would require staff time and related resources to affect administrative policies, develop the website, and provide notice to and educate health facilities by the deadline established in the bill. The bill does not address validating or verifying the data submitted by the health care facilities other than Section 2(6), which requires a method of patient reporting. This could add additional costs for the cabinet which would need to be clarified.

Upon identification and reporting of a health-facility-acquired infection by a health facility, local health departments would be solicited to conduct follow-up surveillance, complete related reporting, and conduct measures to otherwise control or contain the health-facility-acquired infections. Thus, local health departments would see an increase in their workload. The additional financial burdens placed on local health departments may be passed along to CHFS in the form of cost reports from the local health departments to the cabinet.

The bill is unclear whether the Office of Inspector General (OIG) would be required to survey for health facility compliance or if a facility's compliance would be determined solely on the facility's submission of data to the cabinet. Hospitals are "deemed" for licensure if they have accreditation through an agency approved by the Centers for Medicare and Medicaid Services. OIG does not survey "deemed" hospitals annually for compliance with state licensure requirements. If annual OIG surveys are intended by the bill, there would be an additional fiscal impact to CHFS.

DATA SOURCE(S) **Cabinet for Health and Family Services**

NOTE NO. **34** **PREPARER** **Cindy Murray** **REVIEW** **LBH/DG** **DATE** **2/10/11**