

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 420 - HB 1693

March 23, 2009

SUMMARY OF BILL: Limits liability damages up to \$300,000 per claimant and \$1,000,000 per occurrence for actions arising out of tort during the time that a licensed 501(c)(3) non-profit facility is under contract with the Division of Mental Retardation Services or the Bureau of TennCare to provide residential services for individuals with developmental disabilities or mental retardation.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures – Not Significant

Assumptions:

- According to the Department of Mental Health and Developmental Disabilities, the proposed liability limits for intermediate care facilities for persons with mental retardation (ICF/MR) and other nursing facilities that are under contract with DMRS and TennCare are the same extended to state and local government entities and employees.
- According to the Bureau of TennCare, the establishment of specific liability limits does not guarantee that insurance rates would decrease or be passed on to the providers and reflected in actual costs to the state. Any savings would not be immediately realized or reflected in rates paid by DMRS or TennCare.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kml