

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**HB 2360 - SB 2222**

February 10, 2012

**SUMMARY OF BILL:** Extends, from June 30 following its issuance to the anniversary date of its original issuance, the expiration date of a license to operate a health facility. Authorizes renewed licenses to be issued for terms of no less than five months and no more than eighteen months.

**ESTIMATED FISCAL IMPACT:**

On January 23, 2012, a fiscal note was issued estimating a fiscal impact as follows:

*Decrease State Revenue – \$234,900/One-Time*

The impact has been modified to include the specific health-related board that will be affected by the proposed legislation.

**(CORRECTED)**

**Decrease State Revenue – \$234,900/One-Time/Board for Licensing Health Care Facilities**

Assumptions:

- According to the Department of Health (DOH), approximately 1,800 licensed health care facilities must renew their licenses on, or by, June 30 of each calendar year.
- Under current law, DOH estimates total licensing fee collections to be \$2,158,694 in FY12-13.
- As a result of this legislation, facilities with an anniversary date falling between July and December would initially be billed for one year plus a pro-rated monthly fee for the number of months to their anniversary date, up to six months in advance.
- Facilities with an anniversary date falling between January and June would initially be billed for the months between July and their anniversary date at a pro-rated monthly fee, and then be billed at their anniversary date for the next full year.
- DOH estimates that changing to a renewal system based on anniversary date will result in licensing fee collections of \$1,923,808 for FY12-13. This represents a decrease in licensing fee revenue of \$234,886 for FY12-13 (\$2,158,694 - \$1,923,808). This reduction is due to the majority of annual license fees being collected and deposited in the fiscal year preceding the fiscal year for which the license is issued.
- According to DOH, full revenue collections will resume in FY13-14.

**HB 2360 - SB 2222 (CORRECTED)**

- Any rulemaking can be accomplished during regularly scheduled Board for Licensing Health Care Facilities meetings and can be accommodated within existing resources.
- Pursuant to Tenn. Code Ann. § 68-11-216, the Board is required to be self-supporting. As of June 30, 2011, the Board had a balance of \$594,768.55.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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