

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2040 – SB 2375

March 28, 2016

**SUMMARY OF ORIGINAL BILL:** Authorizes zoning consideration of temporary family healthcare structures that are for use by a caregiver providing care for a mentally or physically impaired person and are on property owned or occupied by the caregiver as their residence.

Defines “temporary family healthcare structure” as a transportable residential structure, providing an environment facilitating a caregiver’s provision of care for a mentally or physically impaired person that is primarily assembled at a location other than its site of installation, is limited to one occupant who is the mentally or physically impaired person, has no more than 300 gross square feet and complies with applicable provisions of Tennessee Code Annotated, Title 68, Chapter 120, Part 1 and codes adopted by a county.

Requires a person installing a temporary healthcare structure to obtain a permit from the local governing body who may charge a fee up to \$100. Authorizes local governing bodies to require temporary family healthcare structures to connect to water, sewer, and electric utilities. Prohibits any signage advertising or promoting the existence of the structure on the property. Requires the temporary family healthcare structure to be removed within 30 days in which the mentally or physically impaired person is no longer receiving or is no longer in need of assistance.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Revenue – Exceeds \$1,500/Permissive

**SUMMARY OF AMENDMENT (014993):** Redefines “temporary family healthcare structure.” Adds language to the original bill that requires the Bureau of TennCare to seek, as a part of the plan to expand cost-effective community-based residential alternatives to institutional care, written guidance from the centers for Medicare and Medicaid services regarding whether temporary family healthcare structures may be covered in whole or in part under the Long-Term Care Community Choices Act of 2008, and, if so, shall, upon appropriation by the General Assembly, specifically to cover temporary family healthcare structures, seek federal approval of a waiver amendment to offer such benefit to eligible older adults and person with disabilities who choose temporary family healthcare structure in lieu of care in other settings. Clarifies that any waiver approved shall apply only to a person who meets the CHOICES 2 activities of daily living criteria and meets financial eligibility requirements for medical assistance under this chapter and is either a person with a developmental or intellectual disability or an older adult who is related to the owner or occupier of the property.

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## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase Local Revenue – Exceeds \$1,500/Permissive**

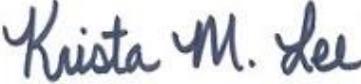
**Other Fiscal Impact – Seeking written guidance will have no impact on the Bureau of TennCare. If approval of a waiver amendment is granted, it is assumed these eligible older adults and persons with disabilities are already receiving services in another facility or through the Self Determination Waiver program. The funds for those services will shift with the individual to any new services.**

Assumptions for the bill as amended:

- Based on information provided by the Health Care Finance and Administration Division of the Department of Finance and Administration, an appropriation will be requested if the waiver amendment is approved; however, the exact amount cannot be quantified. It is assumed these individuals are already receiving services and it will be a shift in funds from one service to another.
- The Department of Intellectual and Developmental Disabilities (DIDD) currently employs three housing inspectors who inspect residential structures of people receiving residential services through the DIDD Medicaid-funded waiver program.
- DIDD does not anticipate a large increase in the number of residential structures to be inspected; any fiscal impact to the Department will be not significant.
- Based on information provided by the Department of Mental Health and Substance Abuse, the proposed legislation has no effect on programs or procedures of the Department; any fiscal impact to the Department would be not significant.
- Based on information provided by the Department of Health, the proposed legislation will have no effect on programs or operations of the Department; any fiscal impact to the Department would be not significant.
- Local governments will be authorized to assess a permit fee up to \$100; it is assumed that local governments will assess the maximum allowed fee of \$100.
- It is assumed at least five temporary family healthcare structures would seek a permit in each grand division each year, resulting in a permissive and recurring increase in local revenue estimated to exceed \$1,500 (\$100 permit fee x 15 structures).
- It is unknown if the proposed legislation will authorize assessment of fees for connecting temporary healthcare structures to water, sewer, and electric utilities. Any additional fee revenue to local utility districts is assumed to be not significant.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

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