



# HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

## FISCAL NOTE

HOUSE BILL: 1152

PRINTER'S NO: 2094

PRIME SPONSOR: Mundy

FISCAL IMPACT SUMMARY	FY 2008/09	FY 2009/10
<b>Expenditure Increase/(Decrease):</b>		
Lottery Fund	\$0	\$0
General Fund	\$0	See Analysis

### OVERVIEW:

House Bill 1152 is a freestanding act that establishes the Department of Aging and Long-Term Living by consolidating the existing Department of Aging and the Office of Long-Term Living, which currently exists as a joint deputation under the Department of Public Welfare and the Department of Aging. The Office of Long-Term Living (OLTL) administers a number of programs that serve the elderly and individuals with disabilities. Specifically, OLTL administers eight home- and community-based Medicaid waiver programs, the Act 150 Attendant Care program, the Living Independence for the Elderly (LIFE) managed care program, and the Medical Assistance nursing facility program which are currently within the Department of Public Welfare and would be transferred to the new department.

The bill combines existing powers and duties of the Department of Aging (incorporating language from Article XXII-A of the Administrative Code of 1929) with selected functions of the Department of Public Welfare. The new department will have administrative, planning, budgetary, and rulemaking powers and duties that include licensing and regulating assisted living residences and personal care homes.

In addition, House Bill 1152 creates the Council on Aging and Long-Term Living within the Office of the Governor. This 36-member council shall serve as an advisory body for the new department and is comprised of two 18-member subcouncils, the Subcouncil on Aging and the Subcouncil on Long-Term Living.

House Bill 1152 repeals article XXII-A of the Administrative Code as well as provision of the Public Welfare Code to the extent that they are inconsistent with this act.

The section of this act relating to the licensure and regulation of assisted living residences and personal care homes shall take effect when the final regulations regarding assisted living residences are published by the Department of Public Welfare in the Pennsylvania Bulletin. The remainder of this act shall take effect July 1, 2009, or immediately, whichever is later.

## **ANALYSIS:**

House Bill 1152 is budget neutral and would not result in additional expenditures. There is no cost associated with the new Council on Aging and Long-Term Living in the Office of the Governor because it largely reflects the existing advisory council. Section 9 of the act prohibits the use of Lottery Fund money for the administration and provision of programs being transferred from the Department of Public Welfare to provide services for individuals with disabilities who are under 60 years of age. The state share of expenditures for these programs will continue to be funded with General Fund revenue.

In addition, Department of Public Welfare staff in the Office of Long-Term Living will be transferred to the new department and will continue to be funded with General Fund revenue.

The Governor's budget request for 2009/10 proposes the transfer of 132 positions together with associated operating costs for a total expenditure of \$5.5 million in General Fund revenue. Per the June 11 budget revision (which reflects increased caseload, unit costs and the enhanced federal Medicaid match under the ARRA), the requested 2009/10 General Fund appropriations for programs being transferred are: \$93.692 million for Services to Persons with Disabilities, \$109.879 million for Attendant Care, and \$638.182 million for Long-Term Care.

When the Department of Public Welfare publishes the final regulations regarding assisted living residences, all department staff involved with the licensure and regulation of personal care homes shall be transferred to the Department of Aging and Long-Term Living. The additional staff to be transferred will depend upon the licensing and oversight responsibilities in the final regulations. Currently, there are approximately 77 staff involved with personal care homes.

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**DATE:** June 17, 2009

**General Note and Disclaimer:** *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*