



# STATE-ONLY LICENSED HEALTH CARE FACILITIES FEES VS COSTS

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

## **SUMMARY**

This issue brief compares the \$383,500 in fee revenues vs \$421,700 costs in FY 2014 for state-only licensed health care facilities. The brief also discusses if a non-compliant fee could be charged to health care facilities. This brief is for informational purposes only and requires no Legislative action.

## **DISCUSSION AND ANALYSIS**

### ***Health Care Facility Revenue vs Costs***

In FY 2014 a total of 78 state-only licensed health care facilities cost the state \$421,700 to inspect and paid \$383,500 in revenue. Costs exceeded revenue by 9% or \$38,200. The state-only facilities are those that are not federally-certified for Medicaid and/or Medicare. More than 2/3 of these facilities are assisted living with the second largest group being personal care agencies.

As a whole all health care facilities in Utah pay about \$1.2 million in fees, which are deposited into the General Fund. The State had General Fund costs of \$929,800 to inspect all the health care facilities in FY 2014. Revenues exceed costs by \$270,200 or 29%.

The last fee increase for health care facilities was in FY 2011 by about \$43,000 as part of the State's efforts to balance the budget. Guidance in UCA 63J-1-504 directs that: "Each fee agency shall adopt a schedule of fees assessed for services provided by the fee agency that are reasonable, fair, and reflect the cost of services provided..."

### ***Could a Fee be Charged to Health care facilities for Extra Visits Due to Non-compliance?***

During the 2014 General Session, the Social Services Appropriations Subcommittee passed a fee to recoup the costs to the State of conditional monitoring inspections in child care licensing. These are follow up visits to ensure providers fix significant problems. Additionally, there is a \$25 charge for child care providers for any non-compliance that results in additional visit. Could something similar be done in health care facility licensing?

The Department of Health indicates that the federal government will not allow the State to assess federally-qualified facilities additional fees to recoup the costs of extra visits for non-compliance. For certain findings there would be civil penalties that can be used relocate or care for patients in the event of a provider failure/withdrawal. The State could assess a fee on state-only licensed facilities. In FY 2014 8% or 120 of the complaints received for health care facilities were for state-only licensed facilities.