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FISCAL IMPACT STATEMENT

LS 6227

BILL NUMBER: SB 360

NOTE PREPARED: Nov 20, 2006

BILL AMENDED:

SUBJECT: Health Facility Automatic Fire Sprinklers.

FIRST AUTHOR: Sen. Howard

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires certain health facilities to have automatic fire sprinkler systems before July 1, 2016. The bill provides that if a system is not installed before July 1, 2013, a plan for completion must be submitted to the Health Facilities Council.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: The bill would require comprehensive care facilities, not currently under a requirement to do so, to have automatic fire sprinkler systems installed throughout the facility by July 1, 2016. Current building standards for nursing facilities require automatic fire sprinkler systems, so new construction would not be affected. The State Department of Health reports that of about 516 certified comprehensive care facilities in the state, there are currently 9 health facilities in Indiana that do not have automatic fire sprinkler systems. An additional 18 facilities are reported to be partially protected by sprinkler systems.

Comprehensive care units reported as partially sprinklered that are located in hospitals and licensed as hospital beds are not affected by the provisions of the bill. A freestanding comprehensive care facility that is owned by a hospital but licensed as a nursing facility would be required to comply with the provisions of the bill. There are five long-term care units that appear to be located in hospital facilities that are reported to be partially sprinklered.

The State Department of Health reports that facilities are currently required to meet the standards that were in place when they were initially constructed or certified. Additionally, the Centers for Medicare and Medicaid Services (CMS) requirements have been revised to require that nursing facilities install

battery-operated smoke detectors in resident rooms and public areas if they do not have an automatic sprinkler system or a hard-wired smoke detection system in those areas.

Indiana Veteran's Home: The Indiana Veterans' Home has three buildings used for nursing facility comprehensive care: Pyle Hall, McArthur Hall, and Mitchell Hall. All three buildings have sprinkler systems for fire suppression in hallways and public areas. Currently, none of the buildings have sprinklers located in patient rooms.

Pyle Hall is currently closed for renovations to install or remediate primary air handler units in individual rooms and to abate mold and asbestos on floors 2 & 3. This project was approved by the Budget Committee in April 2006. In June 2006, the Budget Committee approved another piece of this renovation project; funding to install fire suppression sprinklers in every room. Hard-wired smoke detectors in individual patient rooms are also planned to be part of this project. The facility administrator reported that the Veterans Administration (VA) facility standards require the renovation to bring the building up to current building code requirements. Pyle Hall is scheduled to reopen in June 2007 with 50 single rooms.

McArthur Hall and Mitchell Hall, with capacity for approximately 120 and 140 patients respectively, have been approved for VA grant funding to add fire suppression sprinkler systems in patient rooms during federal FY 2007. Estimated total cost of this project is \$495,000. VA funding of about 65%, or \$318,750, has been approved for this project. The state will be required to contribute \$176,250. Currently, rooms in these buildings are reported to have hard-wired smoke detectors, although the fire alarm system is 12 years old and due to be replaced as a part of this project.

If the proposed renovation schedule is maintained, the Indiana Veterans' Home should have the planned renovations completed within the deadline provided by the bill. Capital projects may be financed from a self-generating Building Fund which is funded by resident maintenance charges paid from Social Security and pensions as well as from VA per diem grant payments. The FY 2006 - FY 2007 Budget Bill appropriated \$1.25 M for National Fire Protection Association (NFPA) fire protection projects at the Veterans' Home from the Building Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: Nursing facilities that are partially sprinklered or not sprinklered that are owned and operated by local units of government would be required to install sprinkler systems. Of the facilities currently listed as being affected by the provisions of the bill, none are believed to be owned by local units of government.

Explanation of Local Revenues:

State Agencies Affected: Indiana State Department of Health; Office of Medicaid Policy and Planning of the Family and Social Services Administration.

Local Agencies Affected:

Information Sources: State Department of Health, and "State of Indiana List of Appropriations Made by the 2005 Indiana General Assembly for the Biennium July 1, 2005, to June 30, 2007", Indiana Veterans' Home Capital Budget Request Detail.

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