

## REGULATORY ANALYSIS

For

Amendments to Rules Pertaining to the Standards for Hospitals and Health Facilities

6 CCR 1011-1

Chapter VII, Assisted Living Residences

Adopted by the Board of Health on August 17, 2011

1. **A description of the classes of persons who will be affected by the rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the rule.**

The classes of persons who will be affected by the proposed rule concerning assisted living residences are the facility owners and, indirectly, facility residents who may benefit from the license renewal reduction. There is not anticipated to be any significant cost associated with this amendment.

2. **To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected class of persons.**

The impact of this proposed rule will be positive in that the license renewal bed fees for most ALRs are being reduced from \$56 to \$30, thus allowing those ALRs to save money on license fees. The \$15 bed fee for high Medicaid use facilities (HMUF) will remain unchanged because that rate was agreed to almost 10 years ago and has held steady since then. The rationale behind reducing only the non-HMUF bed fees now is that it was those facilities that had to take on 100% of the renewal fee increase back in 2008. Lowering the HMUF bed fee with this amendment was not a viable consideration primarily because it would be increasing the degree to which the non-HMUFs are subsidizing the HMUFs.

3. **The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.**

The Department does not anticipate any significant additional cost with implementing and enforcing the proposed rule. Costs to other state agencies will remain unchanged.

4. **A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.**

Action is being taken to reduce license revenue for the ALR program and ensure that the Department does not exceed its spending authority. Inaction is not a viable option.

5. **A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.**

The determination is that there are no other less costly methods or less intrusive methods for achieving the purpose of the amendment at this time.

Adopted

6. **A description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule.**

In developing this amendment, the Department considered different methods of reducing licensing revenue. No other alternatives were deemed appropriate.

7. **To the extent practicable, a quantification of the data used in the analysis; the analysis must take into account both short-term and long-term consequences.**

There are approximately 540 licensed assisted living residences in Colorado that are regulated by the Department. The short and long term consequences of this amendment are that the Department will reduce the ALR licensing revenue so that it does not exceed its spending authority.