

**SMALL BUSINESS IMPACT STATEMENT**

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

**Agency submitting regulation:**

RI Department of Health

**Subject matter of regulation:**

Rules and Regulations for Licensing Assisted Living Residences

**ERLID No:**

New ERLID # 7999 - (Proposed amendments will replace ERLID #6999)

**Statutory authority:**

RIGL Chapter 23-17.4

**Other agencies affected:**

None

**Other regulations that may duplicate or conflict with the regulation:**

None known.

**Describe the scope and objectives of the regulation:**

These regulation provide for the licensing of assisted living residences (ALR) and ensure that ALR residents receive appropriate care and services in accordance with prevailing community standards. These specific amendments update the minimum standards for licensed assisted living residences in Rhode Island; for the care of residents in an assisted living

**What was the rationale for establishing this regulation?**

See previous response

**Does the rationale still exist?**

The base rationale is still relevant. However, the nature of assisted living residences continues to evolve and regulations need updating to ensure that ALR residents continue to receive appropriate care and services in accordance with prevailing community standards

**Is the rationale still relevant?**

Yes

**Business industry (s) affected by the regulation:**

The 2012 edition of the NAICS lists both 623311 (assisted living facilities with on-site nursing facilities) and 623312 (assisted living facilities without on-site nursing care facilities). These regulations cover both categories of assisted living facilities. Skilled Nursing Facilities (NAICS 623310) are covered by a separate set of regulations. +

**Types of businesses included in the industry (s):**

See previous response

**Total number of small businesses included in the regulated industry (s) (Please see the attached guidance documents for assistance determining the total number of small businesses)**

Difficult to determine. HEALTH'S licensing database (L2K) indicates a total of 62 ALR licensees. These facilities range from local elements of a national chain (17) to not-for profit and small family-owned operations. However, there is insufficient information available to determine which of the non-chain affiliated licensees may be a small business.

**Number of small businesses potentially subject to the proposed regulation:**

See previous response

**How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?**

Seldom. Furthermore, even when a licensee contacts HEALTH, their small business status may not become obvious during the conversation.

**What is the cost to your agency of establishing and enforcing this regulation?**

Approx. \$159,400 (1.6 FTE) per year

**What would the consequences be if the regulation did not exist?**

The family members of ALR residents would have no easy way to ensure that they receive appropriate care and services in accordance with prevailing community standards. These regulations are particularly important for oversight of ALRs that will expand their scope of activities to include limited health services.

**Effective date used in cost estimate:**

FY-2015 HEALTH Budget Data - Average cost per FTE

**For each question below, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.**

1.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Do small businesses have to create, file, or issue additional reports?</b></p> <p>All licensed assisted living residences are required to maintain certain records as part of their day-to-day operations. However, there are no specific requirements that pertain to small business.</p>
2.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Do small businesses have to implement additional recordkeeping procedures?</b></p> <p>See response to Question 1</p>
3.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Do small businesses have to provide additional administrative oversight?</b></p> <p>All licensed assisted living residences are required to provide oversight for their day-to-day operations. However, there are no specific requirements that pertain to small business.</p>
4.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Do small businesses have to hire additional employees in order to comply with the proposed regulation?</b></p> <p>There is no specific requirement to hire additional employees. However, if the ALR chooses to offer some of the new services that can be made available under the new regulations (e.g., limited health services), additional staff would be required to provide these services to residents.</p>

5.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?</b></p> <p>Typically no.</p>
6.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<p><b>Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?</b></p> <p>No specific products are required. However, the regulations establish specific requirements for a assisted living residence that are directed to ensuring that ALR residents receive appropriate care and services in accordance with prevailing community standards. This is especially true if the ALR intends to offer limited health services. However, there are no additional requirements that are unique to a small business.</p>
7.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<p><b>Are performance standards more appropriate than design standards?</b></p> <p>It depends. Most of the facility requirements are actually based on either Federal or national consensus standards. While some of these standards are quite prescriptive, others are more general in nature. As a result, there is often a number of ways that compliance with these</p>
8.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<p><b>Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities?</b></p> <p>Regular inspection of assisted living residence facilities is the best method of insuring that day-to-day operations of the facility are conducted in such a manner that residents receive appropriate care and services in accordance with prevailing community standards</p>
9.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<p><b>Does the regulation have the effect of creating additional taxes and/or fees for small businesses?</b></p> <p>In addition to the base license fee under the current regulations, the proposed amendments establish additional license fees for Alzheimer/Dementia special care units and offering limited health services. However, these additional services are optional and do not have to be offered</p>
10.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<p><b>Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?</b></p> <p>All assisted living residences are required to provide periodic in-service training to staff. However, there are no training requirements specific to small businesses.</p>

11.	Yes  <input type="checkbox"/>	No  <input checked="" type="checkbox"/>	<p><b>Is the regulation likely to <i>deter</i> the formation of small businesses in RI?</b></p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div>
12.	Yes  <input checked="" type="checkbox"/>	No  <input type="checkbox"/>	<p><b>Is the regulation likely to <i>encourage</i> the formation of small businesses in RI?</b></p> <div style="border: 1px solid black; padding: 5px;"> <p>Possibly. The current trend in the industry is to provide additional services not authorized under current regulations. The industry as a whole has been advocating for a statute/regulation change that allows them to offer these expanded services.</p> </div>
13.	Yes  <input type="checkbox"/>	No  <input checked="" type="checkbox"/>	<p><b>Can the regulation provide for less stringent compliance or reporting requirements for small businesses?</b></p> <div style="border: 1px solid black; padding: 5px;"> <p>As noted in the response to previous questions, many of the requirements are based on Federal and national consensus standards. Consequently, flexibility in reporting requirements would be limited to what was required pursuant to that standard.</p> </div>
14.	Yes  <input type="checkbox"/>	No  <input checked="" type="checkbox"/>	<p><b>Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?</b></p> <div style="border: 1px solid black; padding: 5px;"> <p>See previous response</p> </div>
15.	Yes  <input type="checkbox"/>	No  <input checked="" type="checkbox"/>	<p><b>Can the compliance or reporting requirements be consolidated or simplified for small businesses?</b></p> <div style="border: 1px solid black; padding: 5px;"> <p>See previous response</p> </div>
16.	Yes  <input type="checkbox"/>	No  <input checked="" type="checkbox"/>	<p><b>Can performance standards for small businesses replace design or operational standards?</b></p> <div style="border: 1px solid black; padding: 5px;"> <p>Many of the standards are, at least in part, already performance based. However, the nature of the regulations does not lend itself to a totally performance-based standard</p> </div>

17.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Are there alternative regulatory methods that would minimize the adverse impact on small businesses?</b></p> <p>Regulations are health &amp; safety based. Alternate standards would not be appropriate.</p>
18.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<p><b>Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe.</b></p> <p>While the process was not exclusive to small businesses, HEALTH conducted a community review process during the development of these amendments. As a result of comments received during community review, a number of changes were made which reduced the</p>