

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0939-02
Bill No.: HB 556
Subject: Health Care; Health Care Professionals; Licenses - Professional; Nurses
Type: Original
Date: March 28, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Office of State Public Defender and Department of Corrections** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration - Administrative Hearing Commission** assume the proposal will not significantly alter its caseload. However, if other similar bills also pass, there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Office of Prosecution Services** assume the proposal will have no significant direct fiscal impact on county prosecutors.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** state the nurse would only be required to hold a license in his/her state of residence and then would be able to practice in other states that are part of the nurse licensure compact. Currently, 1,275 nurses have a Missouri license but reside in a compact state and 1,293 nurses licensed in compact states have a Missouri address. Implementation of the compact would result in a gain of 17 licensees. However, it is anticipated that the increase would be a wash as other licensees may not renew or go inactive.

ASSUMPTION (continued)

When, or if, Kansas and Illinois join the nurse license compact, this could have a greater fiscal impact on revenue received for nurse licenses. Currently, there are 5,829 licensed nurses in Illinois and Kansas that have a Missouri address and 11,338 Missouri licensed nurses that have a Kansas or Illinois address. Missouri would gain 5,829 nurses and not license 11,338 nurses, for a net loss of 5,509 licensees. This breaks down to 4,862 RNs that renew in odd-numbered years for a net loss of \$340,340 in revenue in odd-numbered years and 647 LPNs that renew in even-numbered years, for a net revenue loss of \$45,290 in even-numbered years plus the nurse license compact administrator's fee of \$3,000. The revenue loss with the nurse license compact implemented was figured into the revenue projections through fiscal year 2009. Implementation of the nurse license compact will not require a license renewal fee increase assuming the revenue projections are accurate.

Officials from the **Department of Health and Senior Services (DOH)** state under current law, for a nurse to practice in Missouri they must be licensed by the State Board of Nursing. At that time, a surcharge is collected (\$5 for an RN plus \$1 per year) and those funds are deposited into a DOH fund to support nursing student loans and loan repayments. Nurses could be licensed in another compact state, especially a contiguous state, rather than Missouri, thereby reducing the funds available to the state program. It is difficult to determine the fiscal impact/loss to the Nurse Loan Program due to the uncertainty of how many nurses would be eligible to opt out of the Missouri license requirement.

Oversight assumes there could be an indirect effect on the Missouri Professional and Practical Nursing Student Loan and Loan Repayment Funds/Programs. However, there would not be a direct effect on any state funds.

Officials from the **Office of Secretary of State (SOS)** state the proposal establishes the Nurse Licensure Compact. This proposal would result in the Division of Professional Registration promulgating rules to implement the legislation. These rules will be published in the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the Division of Professional Registration could require as many as 8 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not published in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded, and withdrawn. The SOS estimates the cost of the proposal to be \$492 [(8 pgs. X \$27) + (12 pgs. X \$23)] for FY 06.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal could result in a cost savings for individual nurses who currently maintain licenses in more than one state, including Missouri.

DESCRIPTION

This proposal adopts the Nurse Licensure Compact. The compact allows licensed registered nurses to practice in states which participate in the compact. All states wishing to participate must adopt the following articles of authorization:

- (1) Article I - Finding and Declaration of Purpose
- (2) Article II - Definitions
- (3) Article III - General Provisions and Jurisdiction
- (4) Article IV - Applications for Licensure in a Party State
- (5) Article V - Adverse Actions
- (6) Article VI - Additional Authorities Invested in Party State
Nurse Licensing Boards
- (7) Article VII - Coordinated Licensure Information Systems
- (8) Article VIII - Compact Administration and Interchange of Information

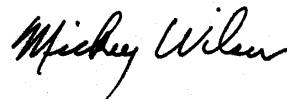
DESCRIPTION (continued)

- (9) Article IX - Immunity
- (10) Article X - Entry into Force, Withdrawal and Amendment
- (11) Article XI - Construction and Severability.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Corrections
Department of Health and Senior Services
Office of Prosecution Services
Office of Secretary of State
Office of State Public Defender



Mickey Wilson, CPA
Director
March 28, 2005