

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4811-01
Bill No.: HB 1665
Subject: Economic Development Dept.; Nurses
Type: Original
Date: February 28, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Nursing	\$0	(\$347,119)	(\$303,730)
Other PR	\$0	\$11,528	\$11,874
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(\$335,591)	(\$291,856)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organization.

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

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** assume implementation of the proposal will require utilizing an additional 2.0 FTE Investigator II in FY 08 (\$39,288 annual salary each) to assist the board in conducting investigations as a result of the increase in complaints received and 2.0 FTE Office Support Assistant - Keyboarding in FY 08 (\$22,272 annual salary each) to provide administrative support in record retrieval and expungement. The DED-PR assumes rental space will be needed for these additional FTE at an annual cost of approximately \$11,192. The DED-PR assumes equipment costs, including vehicles, for the additional FTE will be \$50,580 in FY 08 and \$2,970 for FY 09.

The DED-PR assumes that the board will have to conduct additional committee reference calls to review investigative reports. Each member of the board (9) receives per diem of \$50 for

ASSUMPTION (continued)

conducting board business. It is assumed there would be at least one (1) additional call each year costing \$450 (9 members X \$50).

The Board of Nursing estimates that there will be approximately 326 additional complaints per year. The Board currently receives 900 complaints per year and 36% of nurses currently licensed are not working at a facility that is a mandated reporter. It is assumed that the additional complaints and investigations would not start until FY 08.

The DED-PR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO). The DED-PR estimates 25% of the investigations (24) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, DED-PR estimates \$129,600 annually in legal costs to the AGO beginning in FY 08.

The costs provided above do not include any funds for expunging records as the DED-PR can't determine the demand. The DED-PR predicts the demand will increase.

Oversight has, for fiscal note purposes only, changed the starting salary for two (2) Investigator II and two (2) Office Support Assistant - Keyboarding to correspond to the first step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight notes that the inclusion of rent expense in the total costs to be incurred by the Nursing Board will result in a lower allocation of these expenses to other licensing boards. As a result, **Oversight** has shown a savings to Other Professional Registration Funds in an amount equal to the rent expense to the Nursing Board.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
NURSING FUND			
<u>Costs - Department of Economic Development</u>			
Personal service (4 FTE)	\$0	(\$108,017)	(\$110,707)
Fringe benefits	\$0	(\$47,394)	(\$48,579)
Equipment and expense	\$0	(\$62,108)	(\$14,844)
AGO costs	\$0	(\$129,600)	(\$129,600)
Total <u>Costs - Department of Economic Development</u>	<u>\$0</u>	<u>(\$347,119)</u>	<u>(\$303,730)</u>
ESTIMATED NET EFFECT ON NURSING FUND	<u>\$0</u>	<u>(\$347,119)</u>	<u>(\$303,730)</u>
OTHER PR FUNDS			
<u>Savings - Other PR Funds</u>			
Reduction in rent allocated to other licensing boards	\$0	\$11,528	\$11,874
ESTIMATED NET EFFECT ON OTHER PR FUNDS	<u>\$0</u>	<u>\$11,528</u>	<u>\$11,874</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal could impact small businesses that employ nurses as they would be required to report disciplinary action taken against nurses to the Board of Nursing.

DESCRIPTION

This proposal authorizes the State Board of Nursing to file a complaint with the Administrative Hearing Commission requesting an expedited hearing for a restriction or suspension on a license

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DESCRIPTION (continued)

for certain activities which the board deems to be a danger to the public health and safety. Within 15 days of the receipt of the complaint, the commission will conduct a preliminary hearing to determine whether the activities of the licensee are a danger to the public. The commission will issue a decision immediately after the hearing either granting the board the authority to suspend or restrict a license or dismissing the action.

A full hearing before the commission will be granted if the licensee makes a formal request within 30 days of the preliminary hearing. If no request is made, the commission's decision becomes final. If the licensee is found to be in violation of any imposed disciplinary action, the matter will be considered a default case and the board is authorized to take appropriate action.

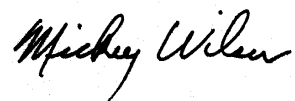
The proposal also requires a board of trustees or similarly empowered official of any home health agency, nursing facility, or entity which employs or contracts with licensed health care professionals to take disciplinary action if it finds that a licensee is in violation of the licensing laws for his or her profession. When disciplinary action is taken against a licensee, the entity taking action will report it to the proper health care professional licensing authority.

The proposal adds the Division of Professional Registration within the Department of Economic Development to the list of agencies which are authorized to review criminal conviction records for screening purposes.

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

SOURCES OF INFORMATION

Office of Administration -
Administrative Hearing Commission
Department of Economic Development -
Division of Professional Registration
Department of Health and Senior Services



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