

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4861-01
Bill No.: HB 1666
Subject: Economic Development Department; Health Care Professionals; Licenses -
Professional; Nursing and Boarding Homes
Type: Original
Date: February 28, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$0	(\$4,500)	(\$2,250)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$4,500)	(\$2,250)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 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 Revenue, Office of Administration - Administrative Hearing Commission, and Department of Economic Development - Division of Professional Registration** assume this proposal would not fiscally impact their agencies.

Officials from the **Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. SOS is provided with core funding to handle a certain amount of normal activity resulting from each years legislative session. The fiscal impact for Administrative Rules is less than \$1,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Health and Senior Services (DOH)** assume there are

ASSUMPTION (continued)

currently 1,578 licensed nursing home administrators in Missouri. DOH states approximately 899 of these individuals are working in skilled nursing facilities, intermediate care facilities and residential care facilities II and must remain active. There are an additional 66 licensed administrators who are working in residential care facilities I. That leaves 613 licensees who are not using the license and may choose the inactive status. DOH estimates that approximately 15% of the 613 licensees (or 92) must maintain an active license due to their position with a nursing home corporation or who work as a consultant. That reduces the total to 521. Of the 521, based on the history of non-renewals, DOH assumes approximately 160 licensees will choose to not renew the license for various reasons such as moving out of state, leaving the profession, etc, and most likely would not choose inactive status. That leaves 361 who are not using the license and may choose the inactive status. Of those remaining 361 licensees, DOH estimates that approximately half, or 180, will elect the inactive status to avoid continuing education and licensure costs. If 180 licensees elect inactive status, they must pay the \$50 renewal fee for the initial inactive license and will pay only \$25 each following year to renew the inactive license (for up to a maximum of 5 years). The amount of fees collected in FY 2007 would remain the same since the fee is the same for an active license or the initial inactive license (\$50). However, for FY 2008, the decrease (paying \$25 vs. \$50) will be approximately \$4,500 and for FY 2009, DOH estimates that approximately 90 licensees will elect the inactive status, resulting in a decrease of \$2,250 for that year.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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GENERAL REVENUE

Loss—Department of Health and Senior
 Services

Reduction in fees	<u>\$0</u>	<u>(\$4,500)</u>	<u>(\$2,250)</u>
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**ESTIMATED NET EFFECT ON
 GENERAL REVENUE**

<u>\$0</u>	<u>(\$4,500)</u>	<u>(\$2,250)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

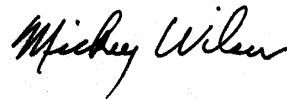
This proposal changes the laws regarding licensure of nursing home administrators. The proposal:

- (1) Requires licensing fees be paid to the Department of Health and Senior Services;
- (2) Prohibits an applicant for licensure who has failed three times the examination administered by the Missouri Board of Nursing Home Administrators from being licensed unless he or she has successfully completed the board-prescribed course of instruction and passed the examination;
- (3) Allows a temporary emergency license to be issued to an applicant whose licensing examination results have not been received by the board;
- (4) Authorizes the board to issue probationary licenses;
- (5) Allows the board to file a complaint with the Administrative Hearing Commission for violation of any provisions of Chapter 198, RSMo, or rules promulgated by the board;
- (6) Requires that certain members of the board be citizens of the United States and reside in Missouri for at least one year prior to their appointment; and
- (7) Authorizes the board to establish an inactive license for a licensee who requests it.

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

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

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 28, 2006