

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3901-01
Bill No.: HB 1620
Subject: Nurses; Pharmacy
Type: Original
Date: March 4, 2008

Bill Summary: This legislation gives advanced practice registered nurses prescriptive authority for scheduled drugs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$171,189	\$10,935	\$9,198
Total Estimated Net Effect on General Revenue Fund	\$171,189	\$10,935	\$9,198

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a similar proposal from this year (SB 724), officials from the **Department of Social Services** assumed the proposal would not affect the MO HealthNet Division. The scope of the Advance Practice Nurse's (APN) practice will not change because today if an APN's patient needs a controlled substance, the collaborating physician would sign the order. There would be no system changes required to allow APN to bill scheduled drugs to the MO HealthNet Division.

Officials from the **Department of Insurance, Financial Institutions & Professional Registration (DIFP)** assume this proposal authorizes advanced practice nurse to prescribe prescriptive authority for scheduled drugs.

Having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), DIFP are of the opinion that this fiscal note in its present form has no fiscal impact to our Division. However, should multiple pieces of legislation pass the General Assembly requiring the board to hold additional meetings, additional appropriation may be requested.

Officials from the **Department of Health and Senior Services (DHSS)** assume additional registration fees for advanced practice nurses will be generated by this legislation. This amount will be received primarily in a three-year cycle due to the three-year term of the registrations issued, except for individuals beginning practice in Missouri in intervening years.

The Division of Regulation and Licensure assumes that 80 percent of the total number of advanced practice nurses and physician assistants will apply for a three-year controlled substances registration in the first year. It is also assumed that the remaining eligible population, as well as additional individuals entering this line of work will apply of subsequent years. Revenue for the second and third years are therefore estimated using 15 percent of the total number eligible registrants.

Initial registrations (first year): $5,100 \times 0.80 \times \$90/3\text{-yr registration} = \$367,200$

New registrations and re-registrations for new sites (second and third year): $5,100 \times 0.15 \times \$90/3 \text{ yr registration} = \$68,850$

ASSUMPTION (continued)

The Bureau of Narcotics and Dangerous Drugs (BNDD) expect that all individuals eligible to register to conduct activities with controlled substances will do so within the first six months of the enactment of this legislation, with the following effect:

- The increase in receipt of applications for registration will result in a delay in issuance of controlled substance registrations;
- There will be an increase in registrants from approximately 29,000 to 33,050;
- Newly registered individuals will have familiarity equal to or less than that of current registrants with regard to controlled substance laws and regulations;
- Of current registrants inspected, 43% are non-compliant with controlled substance requirements;
- The increase in registrants will result in an increase in complaints, investigations, violations identified and disciplinary actions taken, and
- Each inspection or investigation of this new category of registrants will include the identification of collaborative practice agreements and their status as well as inspection/investigation of the advanced practice nurse registrant's collaborating physician(s) resulting in an increased complexity in inspections and investigations requiring more staff time per inspection or investigation.

One additional Investigator II will be needed to respond to the increased workload in performing enforcement activities for the increased number of registrants. Standard expense and equipment costs are included for this FTE.

Support from Information Technology Services Division (ITSD) will be needed to modify and maintain the existing database used by the DHSS, BNDD. The modifications will include the addition of data fields to capture information about advanced practice registered nurses that have a controlled substance prescribing authority delegated in a collaborative practice agreement. Additional reports will also be required to meet the needs of the Bureau.

ITSD assumes one-time consultant cost for analysis, design development, testing and implementation of the needed medications to collect and store the data will cost \$143,000. ITSD also assumes the project will require the need for one Computer Information Technology Specialists I to provide project management, development support and administration maintenance of the application. This position would require one full time staff the first year, and then reduced to half of a full time position in subsequent years.

Oversight assumes the DHSS/ITSD could absorb one Computer Information Technology Specialists I FTE.

ASSUMPTION (continued)

Oversight has, for fiscal note purposes only, changed the starting salary for the DHSS position 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.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE FUND			
<u>Income</u> - Department of Health and Senior Services			
Registration Fees	\$367,200	\$68,850	\$68,850
<u>Costs</u> - Department of Health and Senior Services			
Personal Service	(\$29,427)	(\$36,372)	(\$37,463)
Fringe Benefit	(\$13,013)	(\$16,084)	(\$16,566)
Equipment and Expense	(\$10,571)	(\$5,459)	(\$5,623)
Consultant Costs	<u>(\$143,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - DHSS</u>	<u>(\$196,011)</u>	<u>(\$57,915)</u>	<u>(\$59,652)</u>
FTE Change - DHSS	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$171,189</u>	<u>\$10,935</u>	<u>\$9,198</u>
Estimated Net FTE Change for General Revenue Fund	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small hospitals and clinics that currently pay fees to the Department of Health and Senior Services for controlled substance registrations for their practitioners will incur an additional cost in paying for the Missouri state controlled substance registrations at \$90 per three-year registration for each of their advanced practice nurses. An additional \$551 per three-year registration for each federal registration from the U.S. Drug Enforcement Administration would also be incurred. These businesses may choose to require the individual advanced practice nurse to submit payment for their own registrations.

FISCAL DESCRIPTION

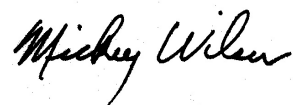
This proposal authorizes advanced practice registered nurses who hold a certificate of controlled substance prescriptive authority from the State Board of Nursing to enter into collaborative agreements with physicians to administer and dispense Schedule II, III, IV, and V control substances. However, they are prohibited, under any circumstance, from prescribing a controlled substance for themselves or any family member.

Guidelines are established for controlled substance collaborative agreements and the documentation required for the state board to grant a certificate for prescriptive authority.

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 Health and Senior Services
Department of Social Services
Department of Insurance, Financial Institutions & Professional Registration



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