

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1525-01  
Bill No.: HB 514  
Subject: Health Care Professionals; Insurance Dept.; Licenses - Professional; Nurses  
Type: Original  
Date: February 10, 2009

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Bill Summary: Adopts the Nurse Licensure Compact.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

Officials from the **Office of State Courts Administrator** assume the proposal will not fiscally impact their organization.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal will have no measurable fiscal impact on the OPS.

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

Officials from the **Office of Attorney General** assume that, to the extent this proposal adds additional nurses to those currently regulated under state law, the AGO could see an increase in referrals for possible discipline of nursing licenses. The AGO assumes that the number of new cases would be relatively few and that the AGO could absorb these costs with existing resources.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS realizes this is a small amount and does not expect that additional funding would be required to meet these costs. The SOS 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 that the office can sustain within its core budget. Therefore, the 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)** state under current law, a nurse must be licensed by the State Board of Nursing in order to practice in Missouri. At the time of licensure, an educational surcharge is collected (one dollar per year for practical nurses and five dollars per year for professional nurses) and deposited into the Professional and Practical Nursing Student Loan and Nurse Loan Repayment Fund (required under section 335.221, RSMo), which DOH uses to support nursing student loans and loan repayments. Under this legislation, nurses licensed in another compact state, especially a contiguous state, would not be required to be licensed in Missouri, thereby reducing the funds available for this program. It is unknown how many nurses would seek to engage in the compact and no longer seek licensure in Missouri. Therefore, the DOH assumes an unknown loss of revenue to the Professional and Practical Nursing Student Loan and Nurse Loan Repayment Fund.

ASSUMPTION (continued)

**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 **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), we are of the opinion that this fiscal note in its present form will not have a fiscal impact to the DIFP unless certain border states would become party states.

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 license compact. There are currently 23 states in the compact. Implementation of the compact with the current states would have very little change in the number of those holding a Missouri license.

**NOTE:** When/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 7,643 licensed nurses in Illinois and Kansas that have a Missouri address and 15,082 Missouri licensed nurses that have a Kansas and Illinois address. Missouri would gain 7,643 nurses and not license 15,082, for a net loss of 7,439 licensees. This breaks down to 7,054 RNs that renew in odd-numbered years, for a net loss of \$352,700 in odd-numbered years and 385 LPNs that renew in even-numbered years, for a net revenue loss of \$19,250 in even-numbered years. In addition, there is an annual 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 2013. Implementation of the nurse license compact will not require a license renewal fee increase assuming the revenue projections are accurate.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

The proposal could result in a cost savings to individual nurses who currently maintain licenses in more than one state, including Missouri, or small business medical offices that pay for their nurses' licenses.

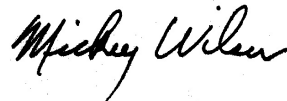
### FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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 Attorney General  
Office of Administration -  
    Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Health and Senior Services  
Office of Prosecution Services  
Office of Secretary of State



Mickey Wilson, CPA  
Director  
February 10, 2009