

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5419-01
Bill No.: SB 1219
Subject: Licenses - Professional; Nursing and Boarding Homes
Type: Original
Date: March 14, 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
GENERAL REVENUE			
<u>Loss</u> —Department of Health and Senior Services			
Reduction in fees	<u>\$0</u>	<u>(\$4,500)</u>	<u>(\$2,250)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$4,500)</u>	<u>(\$2,250)</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

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

DESCRIPTION

Under the proposal, if an applicant fails the required examination three times, the applicant must complete the board-prescribed course of instruction, reapply for the examination and pass the examination before he or she will be licensed. Examination scores from other states shall not be recognized after the applicant fails the examination for a third time.

The Missouri Board of Nursing Home Administrators may renew a temporary emergency license if the applicant shows that the applicant is qualified for licensure, has filed for licensure and the examination results have not been received by the board.

As an alternative to the refusal to issue or renew the license, the board may issue a probationary license. The order shall contain a statement of the terms and conditions of the probation and that the person subject to the probation has thirty days to request a hearing before the Administrative Hearing Commission.

The board may cause a complaint to be filed with the Administrative Hearing Commission for a violation of any laws or regulations relating to convalescent, nursing or boarding homes, or a violation of professional trust or confidence. A complaint may also be filed if the individual has served as the operator or principal involved in the operation of a facility during which time the facility has had its license revoked, has entered into a consent agreement to contain a probationary license, or has had a license denied or surrendered while under investigation.

The board may reject any application for five years for a licensee whose license has been revoked or surrendered.

The proposal imposes certain qualifications for board members.

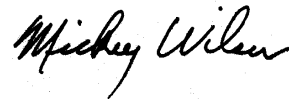
Current licensees may request inactive status for their license if the licensee submits evidence of completion of ten hours of continuing education in the area of patient care. Inactive status shall expire on June 30th of the year following the year of issuance subject to renewal. Inactive status may be carried for six years before ultimate expiration. Procedures for reactivation are included in the proposal.

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

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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



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Director
February 28, 2006