

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION
FISCAL NOTE

L.R. No.: 5270-04
Bill No.: HCS for SB 831
Subject: Department of Insurance, Financial Institutions and Professional Registration;
 Boards, Commissions, Committees and Councils; Administrative Rules;
 Professional Registration Licensing; Nurses
Type: Original
Date: May 9, 2016

Bill Summary: This proposal modifies laws relating to the practice of professional licensees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
General Revenue	\$0 or (\$66,130)	\$0 or (\$72,189)	\$0 or (\$72,963)	\$0 or (\$72,963)
Total Estimated Net Effect on General Revenue	\$0 or (\$66,130)	\$0 or (\$72,189)	\$0 or (\$72,963)	\$0 or (\$72,963)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Board of Registration for the Healing Arts	\$0	\$0	\$0	\$0 or (Greater than \$116,543)
Professional Registration Fund	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown, Greater than \$116,543) to Unknown

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Board of Registration for the Healing Arts Fund	0	0	0	0 or 2
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 3 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 324.004

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that it is unknown what professions may be affected by this legislation in the future. Therefore, the fiscal impact to their department is unknown.

For fiscal note purposes, **Oversight** will show a negative unknown to positive unknown fiscal impact.

Sections 334.1200 - 334.1233

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume this compact will be effective when it is enacted into law in the tenth member state. Currently, no states have enacted the compact and only three states have legislation pending to enact the compact. It is not anticipate the compact would be enacted during FY17, FY18, or FY19 and as a result no fiscal impact to the Division of Professional Registration during these fiscal years.

Once the compact is enacted the Division would have 1 FTE for a Licensing Technician I, 1 FTE for Legal Counsel, \$6,000 annual fee to participate in the compact, and revenue of \$50 for each licensee fee with a compact privilege. It is anticipated 200 individuals will apply for a license with compact privilege.

Oversight notes that the provisions of this section will not be effective until 10 states become members of the compact and there is no way to determine when that might occur. However, at the present time, the DIFP states the salary for a Processing Technician I is \$23,880 annually and the salary for 1 FTE Legal Counsel is approximately \$55,000 annually plus fringe benefits.

If the compact were to become effective today, the fiscal impact would be approximately \$78,880 in personal service costs plus \$41,663 in fringe benefits (total \$120,543) plus \$6,000 annual participation fee less \$10,000 in license fee revenue for a net cost to Board of Registration for the Healing Arts Fund of approximately \$116,543 annually. Equipment and expense costs have not been included and are assumed to be minimal.

ASSUMPTION (continued)

Section 335.203

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume this proposal would have an unknown impact to the State Board of Nursing contingent on potential future appropriations made by the General Assembly to fund the Nursing Education Incentive Program.

In response to a similar proposal, SB 835, Oversight received the following responses:

Officials from the **Department of Higher Education (DHE)** assumed the proposal would not fiscally impact their agency. All staff that are currently processing the nursing education incentive program also process the other state aid programs.

DHE notes that the Nursing Education Incentive Program spanned three years, FY 2012, FY 2013, and FY 2014. DHE noted that the last year's nursing education grant recipients were:

Avila University	\$150,000
Maryville University	\$150,000
St. Charles Community College	\$142,260
Truman State University	\$150,000
University of Missouri-Columbia	\$150,000
University of Missouri-St. Louis	\$139,276
William Jewell College	<u>\$118,464</u>
TOTAL	\$1,000,000

Expenditures for this program were:

FY 2012	\$982,810
FY 2013	\$997,525
FY 2014	\$1,000,000

Oversight assumes the changes in the proposal will not create a fiscal impact to the state. Oversight also assumes if the program is given an appropriation in the future, the State Board of Nursing will be able to administer the program with existing resources.

ASSUMPTION (continued)

Section 621.280

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that it is unknown what professions may be affected by this legislation in the future. Therefore, the fiscal impact to their department is unknown.

For fiscal note purposes, **Oversight** will show a negative unknown to positive unknown fiscal impact.

Bill as a Whole

Officials from the **Office of Prosecution Services, the Department of Mental Health, the Office of the Governor, the Missouri Senate, the Office of Administration, the Department of Social Services, the Northwest Missouri State University, the Department of Economic Development, the Office of the State Courts Administrator, the Missouri Department of Conservation, the Joint Committee on Administrative Rules, the Missouri Consolidated Health Care Plan** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Cole County Sheriff's Department** assume this proposal will have minimal fiscal impact.

Officials from the **University of Central Missouri** assume this proposal will not have a fiscal impact on their organization unless it is construed to require such significant data research regarding students preparing for licensure. If so, UCM would be required to hire additional staff to comply with the proposal. If additional staff were required for workforce analyst data requests the increased cost for UCM would be \$10,000 - \$20,000 per year per department affected.

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation duplicates an existing program. The Missouri Healthcare Workforce Registry and Exchange (MoHWoRx) is an information system developed by DHSS to help health professionals meet state registration requirements and to provide comprehensive and timely information on health care access statewide. MoHWoRx currently supports the Missouri Health Professionals Registry and the Bureau of Narcotics and Dangerous Drugs (BNDD) online registration. The Missouri Health Professionals Registry is a voluntary registration tool that provides the foundation for a comprehensive Missouri health care workforce information system and the Division of Professional Registration provides data to MoHWoRx to provide a more complete registry of health care professionals in Missouri.

ASSUMPTION (continued)

A data warehouse for MoHWoRx has been built to facilitate data quality assurance and analytics. Currently reports are being written to provide information on health care shortage areas and demographic, geographic and practice characteristics.

Section 324.001 of the proposal allows state boards to collaborate with the DHSS to collect and analyze workforce data to assess the availability of qualified health providers.

It is assumed that the MoHWoRx platform for the collection of information on the healthcare workforce will continue to be utilized and that additional resources will be added to ensure data quality, identify data gaps and provide the advanced analytics necessary to provide the information on the workforce to the various boards.

The Division of Community and Public Health (DCPH) will assist with data collection, data quality, reporting and identification of application issues and enhancements. In addition, since the information is self-reported, it is critical that data collected is systematically and routinely reviewed to assure quality and accuracy of the data reported -- particularly in regards to practice locations (satellite sites) and hours of operation. With the proposed legislation, it is anticipated the number of professionals registered and their practice information will increase substantially. DCPH will require additional FTE to assure technical support/assistance to the health care professionals as well as assure data quality and analysis. To perform these additional duties, DCPH will need one FTE Research Analyst III (\$40,380 annually). Total costs to the General Revenue Fund are estimated to be \$69,484 for FY 2017; \$76,315 for FY 2018; and \$77,192 for FY 2019.

Oversight assumes the DHSS does not need rental space for one FTE.

In addition, **Oversight** assumes the language of the proposal is permissive since it states in 324.001.14(1) that the state boards “may individually or collectively enter into a contractual agreement with the department of health and senior services...” (emphasis added). Therefore, the DHSS may or may not need additional resources to collect and analyze workforce data. As a result, Oversight will range DHSS costs from \$0 to the amount provided by DHSS less rental space costs.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented
GENERAL REVENUE FUND (§324.001)				
<u>Costs - DHSS</u>	\$0 or...	\$0 or...	\$0 or...	\$0 or...
Personal service	(\$33,650)	(\$40,784)	(\$41,192)	(\$41,192)
Fringe benefits	(\$17,603)	(\$21,234)	(\$21,346)	(\$21,346)
Equipment and expense	<u>(\$14,877)</u>	<u>(\$10,171)</u>	<u>(\$10,425)</u>	<u>(\$10,425)</u>
Total <u>Cost - DHSS</u>	<u>\$0 or (\$66,130)</u>	<u>\$0 or (\$72,189)</u>	<u>\$0 or (\$72,963)</u>	<u>\$0 or (\$72,963)</u>
FTE Change - DHSS	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 or (\$66,130)</u>	<u>\$0 or (\$72,189)</u>	<u>\$0 or (\$72,963)</u>	<u>\$0 or (\$72,963)</u>
Estimated Net FTE Effect on the General Revenue Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
PROFESSIONAL REGISTRATION FUND				
<u>Costs - DIFP §§324.004 & 621.280</u>				
New PR Board Implementation	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>
ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FUND	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>

<u>FISCAL IMPACT -</u> <u>State Government</u> BOARD OF REGISTRATION FOR THE HEALING ARTS FUND (§§334.1200 to 334.1233)	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented
<u>Income - DIFP</u>				<u>\$0 or ...</u>
Licensing fees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,000</u>
<u>Costs - DIFP</u>				\$0 or ...
Personal service	\$0	\$0	\$0	(\$78,880)
Fringe benefits	\$0	\$0	\$0	(\$41,663)
Equipment and expense	\$0	\$0	\$0	(Unknown)
Compact participation fee	\$0	\$0	\$0	(\$6,000)
<u>Total Costs - DIFP</u>	\$0	\$0	\$0	<u>(\$126,543)</u>
FTE Change - DIFP	\$0	\$0	\$0	0 or 2 FTE
 ESTIMATED NET EFFECT ON THE BOARD OF REGISTRATION FOR THE HEALING ARTS FUND				
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (Greater than \$116,543)</u>

<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented
	<u>\$0</u>	<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.

FISCAL DESCRIPTION

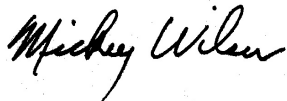
This act provides the acceptable ways in which a professional licensee may submit payment, application, requests for educational time extensions, or notify his or her licensing board for changes to items required as part of licensure to the Division of Professional Registration or its component boards, committees, offices, and commissions.

The act also changes the laws regarding collaborative practice arrangements between advanced practice registered nurses and physicians, collaborative practice arrangements between assistant physicians and physicians, and supervisor agreements between physician assistants and physicians. Currently, an advanced practice nurse, assistant physician or physician assistant must have the collaborating or supervising physician review a minimum of 10% of his or her charts every 14 days. This act states that the collaborating or supervising physician does not need to be present at the health care practitioner's site when performing reviews. The amendment waives the one month requirement of practicing with the collaborating physician when the collaborative physician is new to a patient population that the collaborating advanced practice registered nurse, physician assistant, or assistant physician is already familiar. This act provides that the statutory prohibition of the unlawful practice of optometry shall not apply to students enrolled in an accredited school of optometry practicing under the personal direction of instructors. This act establishes guidelines for the regulation of occupations and professions not regulated prior to January 1, 2017.

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
Office of Prosecution Services
Department of Mental Health
Office of the Governor
Missouri Senate
Office of Administration
Department of Social Services
Northwest Missouri State University
Cole County Sheriff's Department
Department of Economic Development
Office of the State Courts Administrator
Missouri Department of Conservation
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
University of Central Missouri
Department of Insurance, Financial Institutions and Professional Registration



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