

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1974-01
Bill No.: HB 785
Subject: Health Care Professionals; Licenses - Professional; Nurses
Type: Original
Date: April 6, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Nursing	\$0	(\$161,378)	(\$255,647)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(\$161,378)	(\$255,647)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education, Department of Social Services, Department of Corrections and Putnam County Memorial Hospital** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Mental Health (DMH)** state the modifications of this existing statute to include employers of nurses to report disciplinary actions of health care professionals to the licensing boards will not require any additional resources on behalf of the DMH. Therefore, there is no fiscal impact to the DMH.

Officials from the **Department of Health and Senior Services (DOH)** state the proposal would not be expected to fiscally impact the operations of the DOH. If an impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (PR)** assume implementation of the proposal will require utilizing an additional 2.0 FTE Investigator II in FY 2007 (\$39,288 annual salary each) to assist the board in conducting investigations as a result of the increase in complaints received. DED-PR assumes rental space will be needed for these additional FTE at an annual cost of approximately \$5,540. DED-PR assumes equipment cost, including vehicles, for the additional FTE will be \$38,528 in FY 2007.

ASSUMPTION (continued)

The DED-PR assumes the board will have to conduct additional committee conference calls to review investigative reports. Each member of the board (7) receives a \$50 per diem for conducting board business. The DED-PR assumes there will be at least one (1) additional call each year.

The DED-PR states the Board of Nursing (Board) estimates that there will be approximately 326 additional complaints each year. The Board currently receives 800 complaints per year. Thirty-six percent (36%) of nurses currently licensed are not working at a facility that is a mandated reporter. It is estimated that 30% of the complaints (98) will require field investigations, each needing 30 hours of field work and one night's lodging. Travel expenses for the investigations are estimated at \$24,990 annually. DED-PR assumes complaints and investigations would start in FY 2007.

The DED-PR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO). DED-PR estimates 25% of investigations (24) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, DED-PR estimates \$129,600 annually in legal costs to the AGO beginning in FY 2008.

Oversight provides the following assumptions used to calculate the fiscal impact of this proposal:

- (1) Assumed additional rental space would not be required for 2 FTE;
- (2) Changed the starting salary for the Investigators II to correspond to the second 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, and
- (5) Used DED-PR's estimates unless otherwise noted.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
NURSING FUND			
<u>Costs - Department of Economic Development</u>			
Personal Service Costs (2 FTE)	\$0	(\$67,248)	(\$68,930)
Fringe Benefits	\$0	(\$28,688)	(\$29,406)
Equipment and Expense	\$0	(\$65,092)	(\$27,361)
Board Member Per Diem Costs (7)	\$0	(\$350)	(\$350)
Legal Costs - Attorney General's Office	\$0	<u>\$0</u>	<u>(\$129,600)</u>
Total <u>Costs</u> - Department of Economic Development	<u>\$0</u>	<u>(\$161,378)</u>	<u>(\$255,647)</u>
ESTIMATED NET EFFECT ON THE NURSING FUND	<u>\$0</u>	<u>(\$161,378)</u>	<u>(\$255,647)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposed legislation may result in costs to small businesses as they would be required to report disciplinary actions to the appropriate board.

DESCRIPTION

This proposal requires the State Board of Nursing to file a complaint with the Administrative Hearing Commission before any documentation may appear on file or any disciplinary action is taken against a licensed nurse because of a complaint. If no action is taken by the board, at the request of the licensee, all records regarding the complaint will be expunged. Currently, only records of complaints filed by persons in the custody of the Department of Corrections may be expunged.

Any employers of registered nurses, including nurse agencies, are required to report to the board any disciplinary action taken against a licensee, including the termination of contracted services due to complaints.

DESCRIPTION (continued)

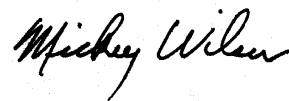
Disciplinary action must be deemed final after any licensed nurse has exhausted his or her rights under any existing grievance and arbitration procedure.

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 Economic Development -
 Division of Professional Registration
Department of Elementary and Secondary Education
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Social Services
Putnam County Memorial Hospital

NOT RESPONDING: Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Medical Center and Washington County Memorial Hospital



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