

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 192** SLS 13RS 406

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 17, 2013 7:25 AM	Author: ERDEY
Dept./Agy.: DHH/State Board of Medical Examiners & Board of Nursing	Analyst: Jennifer Katzman
Subject: Transfers nurse practitioners and licensure to LSBME	

NURSES OR INCREASE SG EX See Note Page 1 of 2
Provides for nurse practitioners and licensure by the Louisiana State Board of Medical Examiners.

Proposed law removes the regulation and licensure of nurse practitioners under the scope of advanced practice registered nurses from the Louisiana State Board of Nursing (LSBN) and transfers nurse practitioners to the LA State Board of Medical Examiners (LSBME). It further provides for licensure and education of nurse practitioners and other powers and duties of the LSBME in this regard.

Proposed law also creates the Nurse Practitioner Advisory Committee within the Department of Health and Hospitals (DHH) to advise and guide the LSBME relative licensure, education, disciplining and the promulgation of regulations regarding these issues for nurse practitioners.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$497,907	\$474,708	\$502,080	\$531,680	\$564,178	\$2,570,553
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$497,907	\$474,708	\$502,080	\$531,680	\$564,178	\$2,570,553

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$281,220	\$319,615	\$363,490	\$413,060	\$471,525	\$1,848,910
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$281,220	\$319,615	\$363,490	\$413,060	\$471,525	\$1,848,910

EXPENDITURE EXPLANATION

As a result of the proposed legislation, there is an anticipated net increase in self-generated revenue (SGR) expenditures statewide due to the transference of licensure of Nurse Practitioners (NPs) from the LSBN to the LSBME. This increase results from the need to hire additional personnel within the LSBME to accommodate the new NP population, one-time expenditures for the transference of files within the LSBN in FY 14, and the inability of the LSBN to eliminate personnel since they perform dual functions. All estimates to both boards are based on historical trends within the LSBN relative to the projected increase in the number of NPs each year.

The 11 members of the newly created Nurse Practitioner Advisory Committee will receive \$50 per day plus hotel and travel expenses for meetings. The committee shall meet at least twice annually, thereby resulting in a minimum of \$1,100 in per diem costs, which the LFO assumes will be paid by the LSBME out of its SGR. Travel expenses are estimated to be approximately \$3,324, with a mileage reimbursement rate of \$0.51 per mile & routine lodging expenses for New Orleans at \$135 per night for members outside of the New Orleans area. Annual reimbursements for Committee members are estimated at \$4,424.

Expenditure Explanation Continued on page 2

REVENUE EXPLANATION

As a result of the proposed legislation, there is an anticipated net increase in self-generated revenues (SGR) statewide due to the transference of licensure of Nurse Practitioners (NPs) from the LSBN to the LSBME. This is the result of an increase in the fee structure from \$100 for initial applications, \$80 for renewals and \$105 for late renewals within the LSBN to \$200 initial applications and \$140 for renewals within the LSBME. Revenues within the LSBME are anticipated to increase by an estimated \$555,180 beginning in FY 14 from initial application fees (\$200), renewal fees (\$140), and Allied Health Recovery Program fees (\$25). These revenues will increase in out-years based on the historical trend that NP applicants and renewals have increased by approximately 12% to 14% annually. However, with the transfer of NPs from the LSBN to the LSBME, self-generated revenues from anticipated renewal fees, late renewal fees, and application fees are expected to decrease by approximately \$273,960 beginning in FY 14 within the LSBN. This decrease in LSBN revenue is anticipated to grow in out years based on historical trends in NP revenues. The statewide net revenue increases from these fees are estimated below.

FY 14: \$555,180 + (\$273,960) = **\$281,220**
 FY 15: \$630,960 + (\$311,345) = **\$319,615**
 FY 16: \$717,510 + (\$354,020) = **\$363,490**
 FY 17: \$815,415 + (\$402,355) = **\$413,060**
 FY 18: \$930,450 + (\$458,925) = **\$471,525**

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input checked="" type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

Evan Brasseaux

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Staff Director

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CONTINUED EXPLANATION from page one:

Continued Expenditure Explanation

LSBME SGR expenditures are also anticipated to increase by an estimated \$447,921 beginning in FY 14 due to the increased need for personnel and increased operational expenses, supplies, and Allied Health Recovery Program expenditures in order to accommodate this new population. Specifically, costs will increase as a result of:

- 1) Personnel Expenses for 4 new employees to handle increased workload (3 in licensure and 1 NP in investigations)
- 2) Operating Expenses and supplies increase based on 8% increase to LSBME budget since NPs compose approximately 8% of LSBME's total licensees
- 3) Allied Health Recovery Program mandated under R.S. 37:1281.2 for a physical, mental, and substance abuse recovery services program for allied health professionals which is funded with \$25 fee from each licensee
- 4) 4% inflation in future fiscal years

In addition to these costs to the LSBME, there is an anticipated one-time expenditure increase of \$45,731 to the LSBN in FY 14 for the preparation and transference of all files on current Nurse Practitioners to the LSBME. This is due to the following expenses:

- \$17,704 - Cost for personnel to prepare files
- \$23,957 - Cost of file copies
- \$500 - Delivery cost for files by courier service
- \$6,232 - Cost of rule making
- (\$2,931) - Reduction in credit card fees

\$45,562 - Total in FY 14

These one-time expenditure estimates are based on the following data:

- It is estimated that the LSBN will need to hire 2 temporary employees to pull, organize, and replace all the necessary files. In addition, 1 current LSBN staff member will need to work an estimated 350 of overtime in order to review and perform appropriate quality assurance checks before delivery to the LSBME by 8/1/2013. There are currently 3,508 NP licensure files with an estimated 150 pages per file (526,200 total pages) that need to be delivered to the LSBME by 8/1/2013. The LSBN will not save any expenditures from the reduction of personnel due to the transference of NPs to the LSBME, because the current personnel that processes NP applications also processes and reviews Advanced Practice Registered Nurse data and applications, and this function is still required regardless of this legislation.
- At a cost of approximately \$0.03 per page (526,200 x \$0.03059 = \$16,097) for copying costs and an estimated \$7,050 for file folders, total copying costs would be about \$23,957.
- Delivery fee based on vendor estimate
- Cost of rule making is based on estimate of printing 19 pages in the State Register at a cost of \$164 per page 2 times (2 x \$164 x 19 = \$6,232).
- Credit card fees are approximately 1.07% of the LSBN's total revenues from Nurse Practitioners. These cost savings are anticipated to increase in out years due to historical trends from the LSBN that NP revenues have increased between 13% and 14% every year since 2007.

As a result of the cost increases detailed above, the net impact on state expenditures from each board is detailed below:

FY 14: \$447,921 LSBME + \$4,424 travel + \$45,562 LSBN = \$497,907
FY 15: \$473,614 LSBME + \$4,424 travel + (\$3,331) LSBN = \$474,708
FY 16: \$501,444 LSBME + \$4,424 travel + (\$3,788) LSBN = \$502,080
FY 17: \$531,561 LSBME + \$4,424 travel + (\$4,305) LSBN = \$531,680
FY 18: \$564,664 LSBME + \$4,424 travel + (\$4,910) LSBN = \$564,178

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input checked="" type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}	
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Senate

Dual Referral Rules

House

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