

HF3848 - 1E - "Nurse Licensure Compact Created"

Chief Author: **Joe Schomacker**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/13/2018**
 Agency: **Nursing Board**

| State Fiscal Impact | Yes | No |
|---------------------------|-----|----|
| Expenditures | X | |
| Fee/Departmental Earnings | X | |
| Tax Revenue | | X |
| Information Technology | X | |
| Local Fiscal Impact | | X |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

| State Cost (Savings) Dollars in Thousands | Biennium | | | Biennium | |
|--|----------|----------|------------|------------|------------|
| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Health Related Boards | - | - | 157 | 384 | 384 |
| Total | - | - | 157 | 384 | 384 |
| Biennial Total | | | 157 | | 768 |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|----------|----------|----------|----------|
| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Health Related Boards | - | - | 1 | - | - |
| Total | - | - | 1 | - | - |

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|--------|----------|------------|--------------|--------------|--------------|
| Dollars in Thousands | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | |
| Health Related Boards | - | - | 157 | 384 | 384 | |
| Total | - | - | 157 | 384 | 384 | |
| Biennial Total | | | 157 | | | 768 |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| Health Related Boards | - | - | 157 | 6 | 6 | |
| Total | - | - | 157 | 6 | 6 | |
| Biennial Total | | | 157 | | | 12 |
| 2 - Revenues, Transfers In* | | | | | | |
| Health Related Boards | - | - | - | (378) | (378) | |
| Total | - | - | - | (378) | (378) | |
| Biennial Total | | | - | | | (756) |

Bill Description

This bill, if enacted would establish Minnesota as a member of the enhanced Nurse Licensure Compact (eNLC). The enhanced NLC, which is an updated version of the current NLC, allows for registered nurses (RNs) and licensed practical nurses (LPNs) to have one multistate license in the nurse’s primary state of residency (the home state) and practice in other compact states (remote states), while subject to each state’s practice laws and discipline. Effective January 19, 2018 29 states participate in eNLC.

Assumptions

The eNLC enables nurses to practice in person or provide telehealth nursing services to patients located across the country without having to obtain additional licenses. It allows nurses to quickly cross state borders and provide nursing services in the event of a disaster and facilitates telenursing and online nursing education. The eNLC eliminates redundancy, duplicative regulatory processes, and unnecessary fees. It benefits military spouses with nursing licenses who often relocate frequently.

The eNLC has uniform licensure requirements based on the highest regulatory standards that an individual must meet to be eligible for a multistate license. Nurses who fail to meet these requirements will not be eligible for a multistate license, and multistate privileges will be removed from nurses when disciplinary actions are taken against the home state multistate privilege. The Board of Nursing can continue to issue a single-state license based on MN requirements, which are not as stringent as the uniform licensure requirements; however, practice is restricted to MN. Under mutual recognition, a nurse may practice across state lines unless otherwise restricted.

Organizations which provide nursing services across state lines may employ only nurses who have a multistate license.

There is no evidence that suggests that the eNLC is a basis for interfering in, or acting as an impediment to, lawful activities of any union acting on behalf of its member nurses. The bill includes an enabling provision explicitly stating that “this compact does not supersede existing state labor laws.”

An interstate Commission, comprised of board of nursing executive directors provides oversight and is authorized to adopt compact administrative rules and regulations for implementation of the compact.

Expenditure and/or Revenue Formula

Implementation costs include communications, IT and administrative costs. The National Council of State Boards of

Nursing conducted an evaluation of compact state participants to estimate the financial impact of implementing the eNLC and the following estimates are consistent with their findings:

| Expenditure | Description | Cost |
|----------------------|--|--|
| Communication | Notification of licensees and related parties via mail, website and creation and distribution of educational materials | 160,000 stakeholders @ .50 per piece (includes postage, paper, preparation) = \$80,000 |
| IT Costs | Programming and development related to database and online service changes | 200 hours @ \$105 per hour = \$21,000 |
| Administrative Costs | Workload change during implementation | 1,000 hours @ \$50 per hour = \$50,000 |
| Annual fee | Annual National Council Licensure Compact fee payable to National Council of State Boards of Nursing | \$6,000 |
| Total | | \$157,000 |

Expenditures:

| Description | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-----------------------------------|---------|---------|---------|---------|---------|
| FT Salaries | | | 50 | | |
| Board Per Diems | | | | | |
| Space | | | | | |
| Printing | | | | | |
| Professional / Tech Consultants | | | 21 | | |
| Computer Services | | | | | |
| Postage/Communications | | | 80 | | |
| In State Travel | | | | | |
| Out State Travel | | | | | |
| Supplies | | | | | |
| Equipment | | | | | |
| Other Operations | | | 6 | 6 | 6 |
| Office of Administrative Hearings | | | | | |
| | | | | | |
| Total Expenses | | | 157 | 6 | 6 |

Revenues:

A change in revenue will be based on the number of states that enact the eNLC. Because a nurse will be required to get a license in the primary state of residence, MN will lose licensees who do not live in the state but have a MN license because they practice in MN. Minnesota will also gain licensees who live in MN but work in another compact state, especially states which border MN. The change will affect the number of renewals and endorsements. Any decrease in licensure revenue could be offset with an increase in the initial license fee for a multistate license or the license renewal fee. A nurse could determine whether to obtain a multistate license or a single state license. Currently the board collects sufficient revenue to cover the increased appropriation needed to establish this program without having to raise fees.

Considering the Uniform Licensure Requirements, the Board anticipates a decrease \$378,250* per year in renewal revenue. The Board is unable to estimate the number of individuals who reside in Minnesota but have a license in a compact state; therefore the Board is unable to estimate a regain of revenue without this number.

*RNS and LPNS with non-Minnesota unencumbered licenses with an address in a compact state = 8,900. If those licensees do not renew every two years, it would be 4,450 per year (8,900 divided by 2) times \$85 renewal = \$378,250.

Long-Term Fiscal Considerations

It is anticipated that costs to implement the eNLC will be a short-term expenditure. The Nurse Licensure Compact Administrators annual membership fee is \$6,000.

Local Fiscal Impact

Fiscal impact is dependent upon the number of states joining the enhanced eNLC. The change amount will be calculated using the National Council of State Boards of Nursing licensure data base which includes license data such as state of license and state of residence.

References/Sources

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