

STORAGE NAME: h1843.hcc.doc
DATE: April 19, 2001

HOUSE OF REPRESENTATIVES
COUNCIL FOR HEALTHY COMMUNITIES
ANALYSIS

BILL #: HB 1843 (PCB HR 01-07)
RELATING TO: Nursing
SPONSOR(S): Committee on Health Regulation, Representative Farkas, and others
TIED BILL(S): None.

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH REGULATION YEAS 10 NAYS 0
 - (2) HEALTH AND HUMAN SERVICES APPROPRIATIONS YEAS 10 NAYS 0
 - (3) COUNCIL FOR HEALTHY COMMUNITIES YEAS 13 NAYS 0
 - (4)
 - (5)
-

I. SUMMARY:

This bill attempts to reduce the shortage of nurses in Florida. It is a comprehensive bill incorporating various ways to make nursing education more affordable, make additional employment locations attractive, and to reduce unnecessary barriers to licensure while maintaining those requirements necessary to protect the public health, safety, and welfare. Specifically, this bill:

- Amends requirements for the Nursing Student Loan Forgiveness Program to include public schools, family practice teaching hospitals, and specialty children's hospitals as employing institutions whose nurse employees are eligible to receive loan repayment under the program.
- Extends an exemption to public schools, family practice teaching hospitals, and specialty children's hospitals from the requirement to match loan forgiveness funding for those nurses employed by those entities.
- Creates a priority listing, by employer, for the disbursement of funds from the Nursing Student Loan Forgiveness Trust Fund, if insufficient funding prevents the grant of all eligible applicants' requests for awards.
- Amends the Nursing Scholarship Program requirements to include public schools, family practice teaching hospitals, and specialty children's hospitals in the list of facilities where scholarship recipients can complete their service obligation.
- Transfers by a type two transfer, all statutory powers, duties, functions and the records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program from the Department of Education to the Department of Health.
- Grants nursing students priority in receiving a Florida Bright Futures Scholarship.
- Provides for future relocation of the Florida Board of Nursing to Tallahassee.
- Revises education requirements for licensure by examination and revises licensure requirements for licensure by endorsement to include a national criminal history check.
- Provides for an electronic applicant notification process.
- Deletes the fees for application and processing for retired volunteer nurses.

The Department of Health does not anticipate any additional funding or resources beyond that provided in the type two transfer to implement the program. It anticipates a savings of approximately \$19,000 annually as a result of this bill, after the Board of Nursing is moved to Tallahassee.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Nursing Student Loan Forgiveness Program

Section 240.4075, Florida Statutes, establishes the Nursing Student Loan Forgiveness Program within the Department of Education. The program was established to increase employment and retention of registered nurses and licensed practical nurses in nursing homes and hospitals in the State and in State-operated medical and health care facilities, birth centers, federally sponsored community health centers and teaching hospitals. The program provides financial assistance to eligible nurses by making repayments toward loans obtained by the licensed nurse to pay for a postsecondary nursing education. To be eligible for repayment of a loan, a candidate must have graduated from an accredited or approved nursing program and have received a Florida license as a licensed practical nurse or registered nurse, or certification as an advanced registered nurse practitioner. The program only covers repayment of loans to pay the costs of tuition, books, and living expenses for a total which may not exceed \$4,000 for each year of education. To receive funds under the program, the candidate must show proof of employment in designated facilities in the State. Loan principal payments must be made by the Department of Education directly to the federal or state programs, or the commercial lending institutions. The loan principal and accrued interest is retired on the following schedule: twenty-five percent of the loan principal and accrued interest shall be retired after the first year; fifty percent is retired after the second year; seventy-five percent is retired after the third year; and the remaining loan principal and accrued interest after the fourth year.

The program is funded from a \$5 licensing fee collected from each nurse upon initial licensure and license renewal. Revenues collected from the fee must be deposited into the Nursing Student Loan Forgiveness Trust Fund and used to fund both the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program. The trust fund is administered by the Department of Education and the Comptroller authorizes expenditures from the trust fund upon receipt of vouchers approved by the Department of Education. The Department of Education may solicit technical assistance for the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program from the Department of Health.

Any funds which are used for loan forgiveness for nurses employed by hospitals, birth centers, and nursing homes must be matched on a dollar-for-dollar basis by contributions from the

employing institutions. Employing institutions that are state-operated medical and health care facilities, county health departments, federally sponsored community health centers, or statutory teaching hospitals are exempt from the requirement to match loan forgiveness funding for those nurses employed by those entities. Any money collected from the private health care industry and other private sources, as matching funds must be deposited into the trust fund. Any balance in the trust fund at the end of any fiscal year must remain and be available for the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program established under s. 240.4076, F.S. All moneys in the Nursing Student Loan Forgiveness Trust Fund must be invested and interest income accruing to that portion of the trust fund not matched must increase the total funds available for loan forgiveness and scholarships. The Department of Education is authorized to recover its costs for administering both the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program from the trust fund. The Department of Education may adopt rules necessary to implement the Nursing Student Loan Forgiveness Program.

The Office of Health Professional Recruitment within the Department of Health initially administered the Nursing Student Loan Forgiveness Program. The program was transferred to the Department of Education on July 1, 1998. According to officials at the Department of Education, there were no employing entities that were required to give a dollar for dollar match of scholarship funds during the period from 1994-2000.

The following table identifies the number of nurses funded, the average amount of an award, and total program disbursements for FY 95-96 through FY 99-00.

Year	Number of Nurses Funded	Average Award Amount	Total Disbursements
1995-1996	95	\$1,301	\$123,569
1996-1997	58	\$1,791	\$103,853
1997-1998	81	\$2,251	\$182,364
1998-1999	90	\$2,025	\$182,269
1999-2000	80	\$2,709	\$216,730

Source: Department of Education

Nursing Scholarship Program

Section 240.4076, F.S., establishes the Nursing Scholarship Program that gives financial assistance to applicants who are enrolled as full-time or part-time students in the upper division of an approved nursing program leading to a baccalaureate or any advanced registered nurse practitioner degree or are enrolled as a full-time or part-time student in an approved program leading to an associate degree in nursing or a diploma in nursing. A scholarship may be awarded for no more than 2 years, in an amount no greater than \$8,000 per year. Registered nurses who are pursuing an advanced registered nurse practitioner degree may receive up to \$12,000 per year. Beginning July 1, 1998, these amounts are adjusted by the amount of any increase or decrease in the consumer price index for urban consumers, published by the United States Department of Commerce.

Scholarship payments are transmitted to the recipient after the Department of Education has received documentation that the recipient is enrolled in an approved nursing school. To be eligible for a nursing scholarship in the program, an applicant must be enrolled as a full-time or

part-time nursing student in an approved nursing program and pursuing an associate degree or a diploma in nursing; or be enrolled in the upper division of an approved nursing program and pursuing a baccalaureate or any advanced registered nurse practitioner degree. For each full year of scholarship assistance received, the recipient must agree to work 12 months at a health facility in a medically under-served area approved by the Florida Department of Education. Scholarship recipients who attend school on a part-time basis must have their employment service obligation prorated in proportion to the amount of scholarship payments received. Eligible health care facilities include state-operated medical or health care facilities, county health departments, federally sponsored community health centers, or statutory teaching hospitals. The Department of Education must develop a formula to prorate payments to scholarship recipients so that it does not exceed the maximum amount per academic year.

The Nursing Scholarship Program has penalties for recipients who default on their education or service requirements. Any recipient who does not complete an appropriate program of studies or who does not become licensed must repay the Department of Education the entire amount of the scholarship plus 18 percent interest accruing from the date of the scholarship payment. Any recipient who does not accept employment as a nurse at an approved health care facility or who does not complete 12 months of approved employment for each year of scholarship assistance received must repay the Department of Education an amount equal to two times the entire amount of the scholarship plus interest accruing from the date of the scholarship payment at the maximum allowable interest rate permitted by law. Repayment must be made within 1 year of notice that the recipient is in default. The Department of Education must adopt rules to implement the Nursing Scholarship Program, including rules to address extraordinary circumstances that may cause a recipient to default on his or her agreement.

On July 1, 1998, the Nursing Scholarship Program was transferred from the Department of Health to the Department of Education.

The following table identifies the number of nurses receiving scholarships, the average amount of the scholarship and total program disbursements for FY 95-96 through FY 99-00.

Year	Number of Nurses Funded	Average Award Amount	Total Disbursements
1995-1996	8	\$10,500	\$84,000
1996-1997	1	\$6,000	\$6,000
1997-1998	2	\$12,000	\$24,000
1998-1999	1	\$3,000	\$3,000
1999-2000	0	\$0	\$0

Source: Department of Education

Type-two Transfers

Section 20.06, F.S., provides methods of reorganizing the executive branch of government. A type two transfer under s. 20.06, F.S., is defined to mean the transfer of a program, activity, or function and all its statutory powers, duties, and functions, and its records, personnel, property, and unexpended balances of appropriations, allocations, or other funds from one agency to another.

Office of Health Professional Recruitment

The Office of Health Professional Recruitment within the Department of Health is charged both with identifying medically under-served areas throughout Florida and with administering several programs to improve access to primary care by alleviating health professional shortages. This office administers a federally funded cooperative agreement with the United States Public Health Service which assists in recommending placement of the health care professionals participating in the program, and the Area Health Education Center Network which recruits students from under-served, remote, rural and inner-city communities into primary health care professional training programs. The office also recommends health professional placement to work in medically under-served areas and state programs primarily through the National Health Service Corps Program, recommends placement of foreign physicians under the J-1 Visa Waiver Program, and gathers data for recommending areas for designation by the federal government as health professional shortage areas.

Family Practice Teaching Hospitals

Section 395.805, F.S., defines a family practice teaching hospital to mean a freestanding, community-based hospital licensed under chapter 395, F.S., that offers a 3-year family practice residency program accredited through the Residency Review Committee of the Accreditation Council of Graduate Medical Education or the Council on Post-doctoral Training of the American Osteopathic Association.

Florida Board of Nursing/Requirements for Licensure

The staff and the official headquarters for the Board of Nursing is currently located in Jacksonville. All other health care practitioner regulatory boards and their staff, including the Board of Medicine, the Board of Dentistry, and others, are located in Tallahassee. All of the boards' administrative and ministerial functions are performed by employees of the Department of Health, Division of Medical Quality Assurance. The Board of Nursing does not employ any staff directly, nor does the board contract for office space or other operating expenses directly.

The Department of Health, Division of Medical Quality Assurance (MQA), is divided by function into three bureaus: the Bureau of Operations which is responsible for licensure, renewal, and examination services; the Bureau of Management Services which is responsible for filing and maintaining records for the agency clerk, overseeing contracts for travel and administrative services, and ensuring compliance with final orders of the boards and department; and the Bureau of Health Care Practitioner Regulation which provides executive directors and support staff for functions of the boards relating to rulemaking and licensure certification.

Because the Board of Nursing is located in Jacksonville separate from the other boards and from the department, certain administrative functions associated with mailing, filing, and other services are duplicated. Certain costs relating to the duplicative administrative functions and to travel expenses are incurred as a result of the board being located in Jacksonville, which probably could be eliminated or reduced if the Board of Nursing was located in Tallahassee.

Chapter 464, F.S., provides the requirements for licensure as a nurse in Florida. There are two main pathways to becoming licensed in Florida—licensure by examination and licensure by endorsement. The main difference is that with licensure by endorsement, the applicant has already successfully completed the national licensure examination and is therefore more readily considered for licensure purposes. Licensure by endorsement is generally considered to be the fastest way to become licensed in a health care profession in Florida. Most practice acts provide for licensure by endorsement, with the exception of a few such as pharmacy and dentistry.

C. EFFECT OF PROPOSED CHANGES:

This bill attempts to reduce the shortage of nurses in Florida. It is a comprehensive bill incorporating various ways to make nursing education more affordable, make additional employment locations attractive, and to reduce unnecessary barriers to licensure while maintaining those requirements necessary to protect the public health, safety, and welfare.

Specifically, this bill amends requirements for the Nursing Student Loan Forgiveness Program to include public schools, family practice teaching hospitals, and specialty children's hospitals as employing institutions whose nurse employees are eligible to receive loan repayment under the program. It extends an exemption to public schools, family practice teaching hospitals, and specialty children's hospitals from the requirement to match loan forgiveness funding for those nurses employed by those entities. The bill creates a priority listing, by employer, for the disbursement of funds from the Nursing Student Loan Forgiveness Trust Fund, if insufficient funding prevents the grant of all eligible applicants' requests for awards. It amends the Nursing Scholarship Program requirements to include public schools, family practice teaching hospitals, and specialty children's hospitals in the list of facilities where scholarship recipients can complete their service obligation. In addition, the bill grants nursing students priority in receiving a Florida Bright Futures Scholarship.

The bill transfers by a type two transfer, all statutory powers, duties, functions and the records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program from the Department of Education to the Department of Health.

Furthermore, this bill provides for future relocation of the Florida Board of Nursing to Tallahassee. It revises education requirements for licensure by examination and revises licensure requirements for licensure by endorsement to include a national criminal history check. Also, it provides for an electronic applicant notification process. Finally, it deletes the fees for application and processing for retired volunteer nurses.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 240.4075, F.S., relating to the Nursing Student Loan Forgiveness Program, to include public schools, family practice teaching hospitals, and specialty children's hospitals as employing institutions whose nurse employees are eligible to receive loan repayment under the program. It extends an exemption to public schools, family practice teaching hospitals, and specialty children's hospitals from the requirement to match loan forgiveness funding for those nurses employed by those entities. The bill creates a priority listing, by employer, for the disbursement of funds from the Nursing Student Loan Forgiveness Trust Fund, if insufficient funding prevents the grant of all eligible applicants' requests for awards.

Section 2. Amends s. 240.4076, F.S., relating to the Nursing Scholarship Program, to include public schools, family practice teaching hospitals, and specialty children's hospitals in the list of facilities where scholarship recipients can complete their service obligation.

Section 3. Transfers by a type two transfer, all statutory powers, duties, functions and the records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program from the Department of Education to the Department of Health.

Section 4. Amends s. 240.40201, F.S., to grant nursing students priority in receiving a Florida Bright Futures Scholarship.

Section 5. Amends s. 464.005, F.S., effective July 1, 2003, to require the Board of Nursing to maintain its official headquarters in Tallahassee like all other health care practitioner regulatory boards. This will create efficiencies and reduce duplicative services provided currently by board staff and by other employees of the Department of Health, including those services provided by the Division of Medical Quality Assurance, Bureau of Operations and Bureau of Management Services. By using an effective date of July 1, 2003, the department and board will have time to make the necessary arrangements for relocating.

Section 6. Amends s. 464.008, F.S., to allow the Board of Nursing to approve applicants, who graduated from a nursing program determined to be equivalent to the programs already approved by the board, to take the licensure examination in Florida.

Section 7. Amends s. 464.009, F.S., to require applicants for licensure by endorsement in Florida to submit a set of fingerprints so that a national criminal history check can be completed prior to the granting of a license to practice nursing. Clarifies that a violation in another state that would constitute a violation of Florida law, includes those violations found in chapter 456, F.S., as well as those found in chapter 464, F.S. Additionally, this section requires the department to notify applicants electronically of the status of the application and requires the license to be issued within 30 days of completion of all required data collection and verification activities.

Section 8. Amends s. 464.0205, F.S., to eliminate the application and processing fee of \$25 for retired volunteer nurses who work without pay.

Section 9. Provides an effective date of July 1, 2001, except as provided in the bill.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Transfer Nursing Student Loan Reimbursement/Scholarship Program from Department of Education to Department of Health:

Nursing Student Loan Forgiveness Trust Fund

FY 2001-02

Projected Receipts

License Fees

\$1,439,515

Interest on Investments

\$ 95,000

Total

\$1,534,515

2. Expenditures:

Transfer Nursing Student Loan Reimbursement/Scholarship Program from Department of Education to Department of Health:

Nursing Student Loan Forgiveness Trust Fund

FY 2001-02

Salaries and Benefits (3.0 Positions)

\$116,150

Expenses	\$ 67,365
Operating Capital Outlay	\$ 6,000
Special Category / Nursing Student Loan Reimbursement Scholarship Program	<u>\$686,656</u>
Total Budget	<u>\$876,171</u>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments section.

2. Expenditures:

See Fiscal Comments section.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments section.

D. FISCAL COMMENTS:

To the extent that the bill includes public schools, family practice teaching hospitals, and specialty children's hospitals as well as hospitals, birth centers, and nursing homes as employing institutions whose employees are eligible to receive loan repayment under the Nursing Student Loan Forgiveness Program or whose employees are fulfilling a service obligation as a condition of having received a nursing scholarship, these employing institutions may be able to retain and recruit more nursing staff.

The transfer of the Board of Nursing from Jacksonville to Tallahassee will save approximately \$19,000 in administrative costs annually.

Licensure by endorsement candidates will have to pay the costs of conducting the national criminal background check which costs approximately \$43. The department will have to collect these fees and reimburse the Department of Law Enforcement for the costs associated with the background checks.

The department has indicated that the current licensure system, PRAES, can be modified to include the electronic applicant notification requirements of this bill. Therefore, there should be minimal cost associated with this provision. The department has indicated that this cost can be absorbed within current budget allocations.

Since there are very few retired volunteer nurses currently, it is anticipated that the reduction in revenues resulting from the elimination of the \$25 fee will be minimal and the expenses can be absorbed by the department.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill provides rulemaking authority to the Department of Health. However, because the rulemaking authority is similar to that provided in the physician practice acts and in the nursing act for advanced registered nurse practitioners with regard to procedures for conducting the national criminal history check, there should be no additional expenses or delays as a result of rulemaking because the "specific authority" and "laws implemented" sections of the existing rules can be amended to include nurse licensure by endorsement applicants.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Health and Human Services Appropriations met on April 4, 2001, and adopted the following amendments which are traveling with the bill:

Amendment #1 -- Prohibits the Board of Nursing from developing any rule related to faculty / student clinical ratios until July 1, 2002, and requires the Board of Nursing and the Department of Education to jointly develop an implementation plan with associated costs for any proposed rule change.

Amendment #2 – Eliminates the provision granting nursing students priority in receiving a Florida Bright Futures Scholarship.

On April 18, 2001, the Council for Healthy Communities adopted one amendment relating to the Bright Futures Scholarships. The amendment appears to be duplicative of amendment #2 above.

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VII. SIGNATURES:

COMMITTEE ON HEALTH REGULATION:

Prepared by:

Wendy Smith Hansen, Senior Attorney

Staff Director:

Lucretia Shaw Collins

AS REVISED BY THE COMMITTEE ON HEALTH AND HUMAN SERVICES APPROPRIATIONS:

Prepared by:

Thomas Weaver

Staff Director:

Cynthia Kelly

AS FURTHER REVISED BY THE COUNCIL FOR HEALTHY COMMUNITIES:

Prepared by:

Wendy Smith Hansen, Senior Attorney

Council Director:

Mary Pat Moore