

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 523

Florida Center for Nursing

SPONSOR(S): Robaina

TIED BILLS:

IDEN./SIM. BILLS: SB 480

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Care Regulation Committee		Hamrick	Mitchell
2) Colleges & Universities Committee			
3) Health Care Appropriations Committee			
4) Health & Families Council			
5) _____			

SUMMARY ANALYSIS

HB 523 revises the goals and board membership of the Florida Center for Nursing. It requires the Board of Nursing to survey nurses on workforce planning issues at licensure and renewal. The bill provides that \$5 of every nurse licensure fee must be transferred to the Florida Center for Nursing Trust Fund to support, maintain and expand its goals.

The bill specifies that the survey information is to be collected by the Board of Nursing and provided to the Florida Center for Nursing for analysis and workforce planning. The Board of Nursing is prohibited from increasing licensure fees to implement the provisions of this bill. The bill expands the Center's goals to include the development of a survey. The bill does not specify the type of information to be gathered, a date for compliance, or identify projected outcomes.

Currently, all 16 members of the board of directors are appointed by the President of the Senate, the Speaker of the House, the Governor, and State Board of Education from recommendations made by key stakeholders. The bill alters the recommendation provision.

The bill specifies that members must be appointed by the Governor from nominations by the following stakeholders: the Florida Organization of Nurse Executives; Florida Hospital Association; Florida Nurses Association; Florida Health Care Association and Florida Association of Homes for the Aging; Florida Association of Colleges of Nursing; Florida Council of Nursing Education Administrators; and the President of the Senate; Speaker of the House; Commissioner of Education; and the Governor. Current board members will be replaced by a new member upon the expiration of their appointed term, unless they are reappointed.

Fiscal Impact: This bill allocates \$5 of existing initial application and biennial renewal fees to the Florida Center for Nursing Trust Fund. This will reduce the contribution to the Medical Quality Assurance trust fund by approximately \$795,260 annually. In addition, the Board of Nursing will have an additional estimated biennial expense of \$314,950 to conduct an employment survey for the center. The bill does not provide an appropriation for this additional expense nor state where the costs of the survey will be incurred, i.e. the Board of Nursing or the Florida Center for Nursing. The Department of Health estimates that implementation of this bill will add \$4.7 million to the Board of Nursing projected deficit on June 30, 2011, for a total projected deficit of \$25.3 million.

This bill takes effect on July 1, 2006.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Promote personal responsibility-The bill provides the Florida Center for Nursing the ability conduct a survey from monies received from nurse licensure fees to address nursing workforce issues in Florida.

B. EFFECT OF PROPOSED CHANGES:

The bill expands the current goals for the Florida Center for Nursing to include the development and analysis of a survey to assist in workforce planning. The survey will be conducted in partnership with the Board of Nursing as part of the application and biennial licensure renewal process. The bill expands the Center's goals to include the development of the survey. The bill does not specify the type of information that will be gathered, a date for compliance, or identify projected outcomes.

The bill specifies that the Board of Nursing will transfer \$5 per license to the Florida Center for Nursing Trust Fund to assist in supporting the cost of conducting the survey and other functions of the Florida Center for Nursing. The bill stipulates that the transfer of funds will not increase licensure or licensure renewal fees. According to the Board of Nursing, the biennial cost of the survey is estimated at \$314,950. The bill does not provide for this expense nor state where the costs of the survey will be incurred, i.e. the Board of Nursing or the Florida Center for Nursing.

The bill revises the composition of the governing body of the Florida Center for Nursing. Currently, all 16 members of the board of directors are appointed by the President of the Senate, the Speaker of the House, the Governor, and State Board of Education from recommendations made by key stakeholders.¹ The bill alters the recommendation provision.

The bill specifies that members must be appointed by the Governor from nominations by the following stakeholders: the Florida Organization of Nurse Executives; Florida Hospital Association; Florida Nurses Association; Florida Health Care Association and Florida Association of Homes for the Aging; Florida Association of Colleges of Nursing; Florida Council of Nursing Education Administrators; and the President of the Senate; Speaker of the House; Commissioner of Education; and the Governor. Current board members will be replaced by a new member upon the expiration of their appointed term, unless they are reappointed.

This bill takes effect on July 1, 2006.

PRESENT SITUATION

The National Center for Health Workforce Analysis at the Health Resources and Services Administration (HRSA) projects that by 2020, Florida will need 61,000 more nurses than are projected to be available. HRSA data indicates that from the year 2000 to 2020 the demand for nurses will grow 40% nationally with supply increasing only 6%.² The Florida Agency for Workforce Innovation has forecast 8,060 openings for registered nurses each year through 2011.³

Currently, there are fewer nurses entering the workforce, an increasing number leaving the profession, and an increasing demand for nurses adequately prepared to meet the needs in a changing health care environment.

¹ See s.464.1096, F.S.

² Florida Center for Nursing (November 2004). *Statewide Strategic Plan for Nursing Workforce in Florida: A report from the Florida Center for Nursing.*

³ Florida Agency for Workforce Innovation (October 2004). *Labor Market Statistics.*

The Department of Health's Division of Medical Quality Assurance

Health care practitioners in Florida are governed by professional licensing boards or councils that are independent entities that are overseen by the Department of Health's Division of Medical Quality Assurance (MQA). MQA regulates health care practitioners to ensure the health, safety and welfare of the public. Currently, MQA supports licensure and disciplinary activities for 37 professions and 6 facilities, and works with 28 boards and councils. In total, MQA regulates more than 850,000 health care practitioners and facilities. The MQA trust fund is self-sufficient and receives funding by assessing fees from health care practitioners and facilities pursuant to s.456.025(1), F.S.

The Cost of Regulating Professions and Practitioners should be Self-Sufficient

Section 456.025(1), F.S., provides that all costs of regulating health care professions and practitioners are borne solely by licensees and licensure applicants. Assessed fees should be reasonable and not serve as a barrier to licensure. Moreover, the Department of Health should operate as efficiently as possible and consider methods to streamline costs. Boards in consultation with the Department of should set renewal fees which are:

- Based on revenue projections prepared using generally accepted accounting procedures;
- Adequate to cover all expenses relating to that board identified in the department's long-range policy plan;
- Reasonable, fair, and not serve as a barrier to licensure;
- Based on potential earnings from working under the scope of the license;
- Similar to fees imposed on similar licensure types; and
- Not more than 10 percent greater than the actual cost to regulate that profession for the previous biennium.

The Board of Nursing and Licensure

As of July 2005, there were 273,304 actively licensed nurses (199,549 RNs and 62,284 LPNs). Approximately 22,400 initial licensure applications are received annually. Licensure renewals are broken into 4 groups; two groups renew each year, one in February-April and the other during May-July. It will take at least two years for the Center to receive the survey information from all licensed nurses in the state.

According to the Board of Nursing, the Florida Center for Nursing survey could be sent to new licensees at the time the initial licensure letter or when exam results are sent to applicants. However, mailing the survey at the time of licensure renewal will have to be done separately. In 2004, the department adopted a self-sealing mailer to address security concerns. This format does not allow for inclusion of other documents or surveys.

Once the Board of Nursing receives the survey information back from the applicants, the information will be entered into a computer database. The Board of Nursing is in the process of signing a data sharing agreement with the Florida Center for Nursing so they can access the information on a routine basis. The information in the database will be updated weekly.

Board of Nursing Survey and the Florida Center for Nursing Survey

Currently, the Board of Nursing conducts an annual survey of private and public nursing programs in the state. The survey gathers information on student admissions, student graduations, faculty positions, faculty qualifications, and faculty vacancies. The difference between the two surveys is that the Board of Nursing survey is sent to nursing programs and not individual licensees. Last year, the board of nursing incorporated new data elements into the existing survey to gather additional information for the Center.

Background on the Florida Center for Nursing

In March 2001, the Florida Nurses Association convened a legislative summit of nursing leaders in Tallahassee. Participants represented nurse executives, nurse educators, and nurse advocates from across the state all of whom were members of one or more of the following groups:

- Florida Nurses Association (FNA)
- Florida Hospital Association (FHA)
- Florida Organization of Nurse Executives (FONE)
- Deans and Directors of Nursing Education Programs
- Florida Board of Nursing

At the summit, the concept of a Florida Center for Nursing, which is based on North Carolina's Center for Nursing, was proposed and received unanimous support. In 2001, the Legislature established The Florida Center of Nursing. The Center was created to address issues of supply and demand for nursing, including issues of recruitment, retention, and utilization of nurse workforce resources.

Funding of the Florida Center for Nursing

The Center has been funded through annual appropriations from general revenue appropriations as well as voluntary contributions from nurses who donate monies over and above the fees imposed at the time of licensure and renewal.⁴ Revenues collected are transferred from the MQA Trust Fund to the Center Trust Fund and are used to support and maintain the goals and functions of the Center.⁵ The Center has received the following annual amounts from voluntary contributions:

FY 2004-2005
\$12,363

FY 2005-2006
\$12,981

FY 2006-2007
\$13,630

According to the General Appropriations Act in FY 2004, The Center received an appropriation of \$250,000 from nonrecurring general revenue. The money was provided with the stipulation that the FCN must match the appropriation with private contributions to conduct a three-year study of nurse staffing models in health care facilities. The 2004 funding was not utilized and reverted back to general revenue.

According to the General Appropriations Act in 2005, the Center was appropriated \$250,000 from general revenue to contract with Palm Healthcare Foundation to conduct a three-year clinical study of nurse staffing models in health care facilities in Palm Beach County to determine the efficacy of those staffing models. The contract was contingent upon Palm Healthcare Foundation providing a match for the state funding for the second and third year of the study. The appropriation also stipulated that hospital facilities will provide in-kind support for the study. The 2005 appropriation was vetoed by the Governor.

Statutory Goals for the Florida Center for Nursing

The primary goals for the Center are:⁶

- To develop a strategic statewide plan for nursing manpower by:
 - Establishing a database on nursing supply and demand to include future projections.
- Convene various groups representative of nurses, other health care providers, business and industry, consumers, legislators, and educators to review and comment on data analysis to:
 - Review and comment on data analysis prepared for the Center;

⁴ See s. 464.0195(3), F.S.

⁵ Ibid.

⁶ See s. 464.0195, F.S.

- Recommend systematic changes; and
- Evaluate and report findings to the Legislature.
- Enhance and promote recognition, reward, and renewal activities for nurses by:
 - Promoting programs of excellence;
 - Proposing and creating reward, recognition and renewal activities; and
 - Promoting media and image-building efforts.

The bill expands the Center’s goals to include the development of a survey.

Statewide Strategic Plan on Nursing Workforce by the Florida Center for Nursing

In 2003, the FCN recognized the need for a statewide strategic plan and identified five goals to assist in the development of a plan. The following goals were identified:

- Create an ongoing statewide system to forecast the changing nurse workforce supply and demand;
- Identify systematic changes and how the allocations of new and existing resources, based on forecasting, affect the ability to meet supply and demand;
- Disseminate information of effective strategies and best practices in relation to work cultures and environments that support recruitment and retention;
- Review Florida’s nursing educational system and identify approaches to improve the supply and quality of new nurses; and
- Continue to meet statutory goals as defined in s. 464.0195, F.S.

In 2005, the FCN published a report titled “Forecasting the Nursing Workforce in Florida: Development of an Implementation Plan.” The plan highlights the requirements and necessary information needed to conduct a forecasting model.

Why is there a Need to Forecast?

According to the Center, there is a clear need for recurrent, dependable data to accurately forecast supply of and demand for nurses in Florida since:

- Current nurse licensure data collection is restricted to the minimum required for regulatory enforcement;
- Nurse employment data is not collected, which results in an over estimation of the actual supply of nurses (i.e., assumes that all licensed nurses are working full time in Florida); and
- Current forecasting methods utilize historical trend analysis based on existing nurse staffing, which results in an under estimation of the demand for nurses.

Board of Directors for the Florida Center for Nursing

The Center is governed by a policy-setting board of directors. The board consists of 16 members, with a simple majority of the board being nurses who represent various practice areas. Other members include representatives of other health care professions, business and industry, health care providers, and consumers. Currently, the board members must meet the following criteria:⁷

- Four members are *recommended* by the President of the Senate, at least one must be a registered nurse recommended by the Florida Organization of Nurse Executives and at least one must represent the hospital industry and is recommended by the Florida Hospital Association;
- Four members *recommended* by the Speaker of the House of Representatives, at least one must be a registered nurse recommended by the Florida Nurses Association and one must represent the long-term care industry;

⁷ See s. 464.0196, F.S.

- Four members *recommended* by the Governor, two must be registered nurses;
- Four nurse educators *recommended* by the State Board of Education, one of whom must be a dean of a College of Nursing at a state university; one must be a director of a nursing program in a state community college; and
- The terms of all the members are for 3 years, and no member may serve more than two consecutive terms.

The bill alters the recommendation provision. This bill specifies that members must be appointed by the Governor from nominations from the following stakeholders:

- Florida Organization of Nurse Executives;
- Florida Hospital Association;
- Florida Nurses Association;
- Florida Health Care Association and Florida Association of Homes for the Aging;
- Florida Association of Colleges of Nursing;
- Florida Council of Nursing Education Administrators;
- President of the Senate;
- Speaker of the House;
- Commissioner of Education; and
- The Governor.

Current board members will be replaced by a new member upon the expiration of their appointed term, unless they are reappointed.

Duties of the Board of Directors

The members of board of directors have the following powers and duties:⁸

- Employ an executive director;
- Determine operational policy;
- Elect a chair and officers, to serve 2-year terms, the chair and officers may not succeed themselves;
- Establish committees of the board as needed;
- Appoint a multidisciplinary advisory council for input and advice on policy matters;
- Implement the major functions of the center as established in the goals set out in s. 464.0195, F.S.; and
- Seek and accept non-state funds for sustaining the center and carrying out center policy.

C. SECTION DIRECTORY:

Section 1. Amends s. 464.0195, F.S., to expand goals of the Florida Center for Nursing to include the development of a survey as part of a nurse's license application or renewal; provide that the Board of Nursing will transfer \$5 of each initial nursing licensure and biannual renewal fee to the Florida Center for Nursing Trust Fund; and state that licensure and renewal fees may not be increased to offset the \$5 transfer.

Section 2. Amends s. 464.0196, F.S., to revise the composition of the board of directors for the Florida Center for Nursing and provides term-limit criteria.

Section 3. Provides that the bill will take effect on July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

⁸ Ibid.

1. Revenues:

This bill allocates \$5 of existing initial application and biennial renewal fees to the Florida Center for Nursing Trust Fund. According to the Department of Health, this will reduce the contribution to the MQA trust fund by approximately \$795,260 annually.

<u>Estimated Revenue</u>	<u>1st Year</u>	<u>2nd Year</u> (Annualized/Recurr.)
Revenue <u>loss</u> to the MQA Trust Fund	(795,260)	(795,260)
Total Estimated Revenue	(795,260)	(795,260)

2. Expenditures:

In addition, the Board of Nursing will have additional biennial expense of \$314,950 to conduct an employment survey for the center.

<u>Estimated Expenditures</u>	<u>1st Year</u>	<u>2nd Year</u> (Annualized/Recurr.)
Salaries		
OPS	30,000	30,000
Expense		
Scanning and Data Management	20,000	
Duplicate and print survey	4,975	4,975
Folding /Stuffing envelopes	15,000	15,000
Postage	97,500	97,000
Operating Capital Outlay		
Total Estimated Expenditures	167,475	147,475

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Hospitals and other facilities may benefit from the workforce analysis survey on nursing conducted by the Florida Center for Nursing.

D. FISCAL COMMENTS:

The bill does not provide appropriations to cover the costs of developing and mailing the survey. It prohibits the Board of Nursing from raising fees to cover the loss of revenue resulting from the \$5 per application and renewal which will go to the Center.

Prior Funding Received by the Florida Center for Nursing

In FY 2004, The Center (FCN) received an appropriation of \$250,000 from nonrecurring General Revenue. The money was provided with the stipulation that the FCN must match the appropriation with private contributions to conduct a three-year study of nurse staffing models in health care facilities. The 2004 funding was not utilized and reverted back to general revenue.

In 2005, the FCN requested an appropriation of \$250,000 from General Revenue to contract with Palm Healthcare Foundation to conduct a three-year clinical study of nurse staffing models in health care facilities in Palm Beach County to determine the efficacy of those staffing models. The contract was contingent upon Palm Healthcare Foundation providing a match for the state funding for the second and third year of the study. The appropriation also stipulated that hospital facilities provide in-kind support for the study. The 2005 appropriation was vetoed by the Governor.

Department of Health, Board of Nursing Projected Deficit by 2011

The Board of Nursing is not currently in a deficit but is also responsible for the costs of the Certified Nursing Assistant Registry (CNA). Taken together, Nursing and CNA are projected to be in a deficit of \$1.9 million on June 30, 2007 and a projected deficit of \$20.6 million on June 30, 2011. Implementation of this bill will add \$4.7 million to the Board of Nursing projected deficit on June 30, 2011, for a total projected deficit of \$25.3 million.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

No additional rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Appropriation

The bill needs to provide an appropriation, or give the Board of Nursing the authority to raise licensure fees or impose an administrative fee to meet expenses.

Enactment Date

The bill takes effect July 1, 2006. According to the Board of Nursing, there would not be sufficient time to change its rules, fees, and provide the survey during the next licensure renewal. The moneys would transfer to the FNC Trust Fund through the \$5 fee in May-July 2007.

The Florida Center for Nursing Business Plan

The Board of Nursing supports funding the Center through renewal fees but believes that there needs to be a business plan for the Center and its operations, along with accountability. In 4 years of existence, the FCN has held a few workshops and developed a strategic plan. The Board believes that the Center needs to play a leading role in identifying and showcasing best practices on attraction and retention of nurses and on recruiting and developing nursing faculty.

According to the Board of Nursing, the FCN has not been able to accomplish its goals. It is focused on a need for data collection for future statistical models and not on strategies which have a direct impact on the nursing shortage (i.e., nursing faculty, scholarships, elementary and middle school programs, nurse's image).

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES