

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 523 CS

Florida Center for Nursing

SPONSOR(S): Robaina

TIED BILLS:

IDEN./SIM. BILLS: SB 480

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Care Regulation Committee	10 Y, 0 N, w/CS	Hamrick	Mitchell
2) Colleges & Universities Committee			
3) Health Care Appropriations Committee			
4) Health & Families Council			
5) _____			

SUMMARY ANALYSIS

HB 523 CS adds data collection requirements to the Board of Nursing licensure process, and revises the board membership of the Florida Center for Nursing. The bill requires the Board of Nursing to incorporate the collection of workforce planning data into the nurse licensure application and renewal process. The data collection will impact the following licensees: advanced registered nurse practitioners, registered nurses and licensed practical nurses. The bill specifies that the data be submitted to the Florida Center for Nursing for analysis and workforce planning.

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

The bill specifies that members must be appointed by the Governor from recommendations made 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. The bill specifies that two of four the members appointed by the Governor must be registered nurses and one must be a certified registered nurse anesthetist. Current board members will be replaced by a new member upon the expiration of their appointed term, unless they are reappointed.

Fiscal Impact: The language in the bill is unclear as to what data will be incorporated into the licensure process. The department maintains that as drafted the department may submit any data to the Center for Nursing. The Center would like to incorporate 19 questions into the licensure process. According to the department, to incorporate the specified data they will incur a one time cost of \$104,520 and \$512,550 annually. If the Center decides to alter the survey questions in the future, the cost to the department will increase.

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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DATE: 2/22/2006

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 revises the goals and board membership of the Florida Center for Nursing and adds data collection requirements to the nurse licensure process.

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 Governor from recommendations made by the President of the Senate, the Speaker of the House, the Governor, and State Board of Education.¹ The bill alters the recommendation provision.

The bill specifies that members must be appointed by the Governor from recommendations made 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.

The bill specifies that two of four the members appointed by the Governor must be registered nurses and one must be a certified registered nurse anesthetist. Current board members will be replaced by a new member upon the expiration of their appointed term, unless they are reappointed.

The Board of Nursing is required to incorporate the collection of workforce planning data into the nurse licensure application and renewal process. The data collection will impact the following licensees: advanced registered nurse practitioners, registered nurses, and licensed practical nurses. The data must be submitted to the Florida Center for Nursing for analysis and workforce planning.

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.

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

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.*

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 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 required survey information from all licensed nurses in the state.

Self-Sealing Mailer for Licensure Renewals and Incorporating New Data

According to the Board of Nursing, the Florida Center for Nursing data could be sent to new licensees at the time the initial licensure letter or when exam results are sent to applicants. However, mailing the data 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 data requests.

Once the Board of Nursing receives the required data back from the applicants, the information will have to be entered into a computer database (COMPAS system). According to the Board of Nursing, it is in the process of signing a data sharing agreement with the Florida Center for Nursing so they can access data 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. Unlike the information required by the bill, 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 for Nursing.

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 (FCN), 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 and Appropriations Received by the Florida Center for Nursing

The Center has been funded through annual appropriations from General Revenue 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 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 prepared for the Center;
 - 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.

HB 523 bill expands the Center's statutory goals requiring the Board of Nursing to incorporate the collection of workforce planning data as part of nurses' licensure process and requires that the data be submitted to the Center for analysis and workforce planning.

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

In 2003, the Center 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:

⁴ See s. 464.0195(3), F.S.

⁵ Ibid.

⁶ See s. 464.0195, F.S.

- 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 because:

- 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;
- 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.

C. SECTION DIRECTORY:

Section 1. Amends s. 464.0195, F.S., to expand goals of the Florida Center for Nursing and require the Board of Nursing to incorporate the collection of workforce planning data into the nurse licensure application and renewal process, and submit the data to the Center.

⁷ See s. 464.0196, F.S.

Section 2. Amends s. 464.0196, F.S., to revise the recommendation provisions of the board of directors for the Florida Center for Nursing and provide 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:

1. Revenues:

None.

2. Expenditures:

The language in the bill is unclear as to what data is required to be incorporated in the licensure process. The Center submitted a sample workforce data survey that contains 19 questions. The questions cover such topics as birth year, gender, race, annual income, hourly wage, educational background, and employment status.

According to the department, costs will increase if a response to the data collected in the licensure process is mandatory. If responses to survey data are mandatory then nurses who fail to answer the questions and return the form, will not be issued an initial license or renewal until the data is collected.

Based on a the review of the 19 questions submitted by the Center to Health Care Regulation staff the department states that the cost to incorporate the data will be approximately \$512,550 annually and a one time cost of \$104,520.

According to the department, the fiscal impact is based on the costs to manually input the data into the data system called the 'COMPAS system.' Image API (the contracted vendor used by MQA and the department to collect and enter data) determined the most efficient way to implement the bill would be to produce the survey using a Scantron form that will be scanned versus manual data entry into the COMPAS system. The Scantron form would be incorporated into a multi-page self-sealed renewal notice and included with the application for initial licensure. This form would be returned to Image API for scanning and uploading into the COMPAS system. To support this process, the COMPAS system would require modifications and the development of a system interface to support uploading and reporting of the data collected. The following costs were determined:

COMPAS System Modification and Interface Development Cost	\$50,000
Programming Cost – Image API Project Manager (120 hrs x \$191.00)	22,920
Programmer (120 hrs x \$158.00)	18,960
Programming Cost/QA for Processing – Image API	15,280
Project Manager (80 hrs x \$191.00)	
Programmer (80 hrs x \$158.00)	12,640
One Time Cost	\$104,520

Purchase of Scantron Forms (170,000 x .35 each)	\$59,500
Printing Cost (170,000 x .27)	45,900
Postage (170,000 x .39)	66,300
Processing Cost (170,000 x .50)	85,000
Manual Data Entry* (42,500 x \$6.02)	255,850
[*based on 25% average rejection rate]	
Annual Cost	\$512,550

According to the department, the above costs are based on estimates provided to the Department from Image API and VERSA Management Systems, Inc. Development and programming costs may be more depending on the complexity of the survey, the system interface, and the reporting requirements.

If the Center decides to alter the survey questions in the future, the costs incurred by the department will increase. The COMPAS System would have to be reprogrammed and the forms would have to be reconfigured.

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:

According to staff with the Center for Nursing, the contract with the vendor Image API may be expire next year. If this is correct the department may be able to incorporate the data, requested by the Center, at the time new contract is negotiated.

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:

The language in the bill is unclear as to what data will be incorporated into the licensure process. The department maintains that as drafted the department may submit any data to the Center. According to conversations with the staff at the Center, they would like the department to collect information on 19 survey questions. However, the data needed in the future may change year to year depending upon the ever changing environment and the composition of the nursing workforce.

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 department has requested an enactment date of October 1, 2006.

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. According to the Board of Nursing, 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

On February 22, 2006, the Health Care Regulation Committee adopted three amendments offered by the bill's sponsor. The Committee Substitute differs from the original bill as filed in that the Committee Substitute:

- Removes the \$5 transfer from nursing licensure fees from the Board of Nursing to the Center.
- Removes the requirement a survey, but states that the Board of Nursing must incorporate the data the Center needs for workforce planning into the nurse application and licensure application. This data must be submitted to the Center.
- Requires one of the members to the Board of Directors that the Governor recommends must be a certified registered nurse anesthetist.

The bill, as amended, was reported favorably as a committee substitute.

This analysis is drafted to the committee substitute.