

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Revised

Senate Bill 445 (Senator Hollinger)

Economic and Environmental Affairs

State Board of Nursing - Nursing Assistants - Certification

This bill authorizes the State Board of Nursing to certify nursing assistants and medicine aides, and to register medication assistants. The bill also specifies the requirements for qualification as a certified nursing assistant, which includes the completion of an approved nursing assistant training program. The board must waive the requirement of completion of a nursing assistant training program if the applicant applies for certification by July 1, 2002 and meets other requirements as specified in the bill. In addition, the bill repeals the current law requirement that nursing assistants be regulated by January 1, 2000 in order to practice in the State.

The bill establishes an advisory committee consisting of at least 13 members to advise the board on matters relating to nursing assistants. The board, in conjunction with the Maryland Higher Education Commission (MHEC), must approve all nursing assistant training programs. The bill authorizes the board to set fees to approximate the cost of maintaining the certification program.

Fiscal Summary

State Effect: Special fund revenues could increase by \$60,000 in FY 2000. Future year revenues reflect a surge in applications in FY 2001 and 2002 due to the grandfather clause, attrition, and annual renewals. Special fund expenditures could increase by \$254,300 in FY 1999. Future year expenditures account for additional positions, annualization, and inflation.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	\$0	\$60,000	\$240,000	\$180,000	\$248,000
SF Expenditures	\$254,300	\$362,300	\$440,300	\$485,200	\$502,100
Net Effect	(\$254,300)	(\$302,300)	(\$200,300)	(\$305,200)	(\$254,100)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: Potential minimal.

Fiscal Analysis

Background: Chapter 194 of 1997 required nursing assistants to be regulated by January 1, 2000. In addition, it required the Department of Health and Mental Hygiene (DHMH) to work with an advisory committee to make recommendations concerning administrative procedures, training, and mobility for the regulation of nursing assistants. The advisory committee's report was submitted to the General Assembly in January 1998. This bill is a result of those recommendations.

State Revenues: Special fund revenues from certificate fees are expected to increase by \$60,000 in fiscal 2000 (5,000 applicants x \$12 certificate fee). Future year revenues are based on the following facts and assumptions:

- ° The bill provides that the Nursing Board may grandfather nursing assistants if they apply before July 1, 2002 and meet other specified requirements. The board intends to begin certifying nursing assistants in January 1, 2000.
- ° Due to the grandfathering clause, it is anticipated that 5,000 nursing assistants would be certified in fiscal 2000, 20,000 would be certified in fiscal 2001, and 15,000 would be certified in fiscal 2002.
- ° All certified nursing assistants who were grandfathered would have to renew their certificate in fiscal 2003.
- ° It is anticipated that 32,000 nursing assistants would renew their certificate and 2,000 new applicants would apply for certification in fiscal 2003.
- ° Certificate and renewal fees would be \$12 and \$7, respectively.

State Expenditures: Special fund expenditures are estimated to increase by \$254,343 in fiscal 1999, which accounts for the October 1, 1998 effective date. The estimate includes the cost of hiring six positions (one Administrator, one Secretary, two Office Clerks, one Health Facilities Surveyor Nurse, and one Computer Network Specialist Trainee) to establish the certification process and evaluate training programs. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate were based on the experience of other states that have certification programs for nursing assistants. These states are: Oregon, Colorado, Minnesota, and Virginia.

Salaries and Fringe Benefits	\$141,878
Programming for Development of Licensing Data Base and Imaging System	45,000
Operating Expenses	<u>67,465</u>
Total FY 1999 State Expenditures	\$254,343

Future year expenditures reflect a phasing-in of an additional five full-time and one half-time employees: two Health Occupation Investigators in fiscal 2000, two Health Occupation Investigators and one half-time Staff Attorney in fiscal 2001, and one Office Secretary in fiscal 2001 to begin in January 2001.

The estimates also include (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Any additional workload for MHEC could be handled with existing budgeted resources.

Small Business Effect: Currently, most nursing assistants (approximately 36,000) are employed by nursing homes or hospitals. There are about 28 nursing homes which could be considered small businesses. Certification and training may increase the caliber of nursing assistants applying for positions. As a result, wages for these individuals may increase. The impact on small business nursing homes would depend on the extent to which wages increase as a result of this bill.

Information Source(s): Department of Health and Mental Hygiene (Board of Nursing), Maryland Higher Education Commission, Department of Legislative Services

Fiscal Note History: First Reader - February 22, 1998
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Analysis by: Lina Walker	Direct Inquiries to:
Reviewed by: John Rixey	John Rixey, Coordinating Analyst
	(410) 841-3710
	(301) 858-3710