

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

FISCAL NOTE, 2017 LEGISLATIVE SESSION

FISCAL NOTE 2017-SB61A

SB 61 An Act to update, revise, and repeal certain provisions relating to nurse practitioners and nurse midwives.

Senate Bill 61 identifies two advanced practice registered nurse roles: certified nurse practitioner and certified nurse midwife, and further clarifies the scope of practice for each. The bill removes the current statutory requirement that nurse practitioners and nurse midwives work under a written collaborative agreement with a physician. Additionally, the bill specifies that regulation of certified nurse practitioners and certified nurse midwives will be through the South Dakota Board of Nursing and will not be subject to the South Dakota Board of Medical and Osteopathic Examiners.

Sections 1-6 make conforming changes and technical corrections to state statute including reference name changes such as replacing "nurse practitioner" references to "certified nurse practitioner" and "nurse midwife" references to "certified nurse midwife".

Section 7 modifies licensing requirements to practice as a certified nurse practitioner or a certified nurse midwife to include 1,040 hours as a licensed certified nurse practitioner or a certified nurse midwife or to have a written collaborative agreement with a physician, licensed pursuant to chapter 36-4, or a certified nurse practitioner or certified nurse midwife licensed under chapter 36-9A to meet the 1,040-hour practice requirement.

The addition of the 1,040 practice hour requirement with a collaborative agreement will add a new administrative function for the South Dakota Board of Nursing. The Board estimates they can accomplish this with an increase of 0.10 FTE professional staff and 0.10 FTE support staff.

<u>SD Board of Nursing Staff</u>	<u>Salary</u>	<u>FTE Impacted</u>	<u>Salary Cost</u>	<u>Benefits</u>	<u>Total Cost</u>
Nurse III Professional	\$73,774	0.10 increase	\$7,377	\$1,107	\$8,484
Program Assistant II	\$45,000	0.10 increase	\$4,500	\$675	\$5,175
Total:		0.20 increase	\$11,877	\$1,782	\$13,659

Section 8 (and Subsequent Sections) removes joint control over the practice of certified nurse practitioner or certified nurse midwife by the South Dakota Board of Nursing and the South Dakota Board of Medical and Osteopathic Examiners to include only the South Dakota Board of Nursing and makes conforming changes and technical corrections.

The current financial arrangement between the South Dakota Board of Nursing and the South Dakota Board of Medical and Osteopathic Examiners for joint regulation of certified nurse practitioners and certified nurse midwives is that the boards subtract expenses from licensure fee revenue and split the excess revenue or excess expenses over revenue. The Board of Nursing consistently has greater

expenses than revenue from the regulation of nurse practitioners and nurse midwives which results in the Board of Medicine covering additional costs of approximately \$9,200 each year. The result of this bill would increase costs by this amount for the Board of Nursing, but would result in offsetting savings by the Board of Medicine.

Section 16 further clarifies the scope of practice for certified nurse practitioners.

Section 17 further clarifies the scope of practice for certified nurse midwives.

Section 18 modifies statute to specify that a certified nurse practitioner or a certified nurse midwife shall collaborate with other health care providers and refer or transfer patients as appropriate.

Section 19 repeals the current definition of a collaborative agreement as a written agreement authorized and signed by the nurse practitioner or nurse midwife and the physician with whom the nurse practitioner or nurse midwife is collaborating and repeals the requirement that a copy of each collaborative agreement be maintained on file with the South Dakota Board of Nursing and with the South Dakota Board of Medical and Osteopathic Examiners.

Section 20 repeals the requirement of a written collaborative agreement between a nurse practitioner or nurse midwife and a physician for advanced practice nursing and medical functions.

Sections 21-25 repeal the method for modification of a written collaborative agreement and makes conforming changes and technical corrections.

The removal of the requirement for a written collaborative agreement between certified nurse practitioners and certified nurse midwives and a physician will reduce administrative costs for the South Dakota Board of Nursing. The Board estimates they currently utilize 0.25 FTE in professional staff and 0.25 FTE in support staff each year to process new agreements or to amend the approximately 1,000 existing collaborative agreements on file with the Board. Current law also requires that written collaborative agreements be filed with the South Dakota Board of Medical and Osteopathic Examiners, therefore it is estimated they would realize a similar decrease in staffing needs due to the repeal of the requirement for a written collaborative agreement.

SD Board of Nursing and SD Board of Medicine Staff	Salary	FTE Impacted	Salary Cost	Benefits	Total Cost
Nurse III Professional	\$73,774	0.50 (decrease)	(\$36,888)	(\$5,534)	(\$42,422)
Program Assistant II	\$45,000	0.50 (decrease)	(\$22,500)	(\$3,376)	(\$25,876)
Total:		1.0 (decrease)	(\$59,388)	(\$8,910)	(\$68,298)

The repeal of the requirement to have a written collaborative agreement will create additional savings for other entities of state and local government. For example, South Dakota State University currently pays \$29,460 per year from student activity fees for a written collaborative agreement with physicians so that student health services can be provided by nurse practitioners. The other five state universities contract their health services with outside health care provider organizations, so there is no direct cost. Other state entities providing direct patient care including the Human Services

Center, the South Dakota Developmental Center, and the correctional healthcare system reported no costs for written collaborative agreements between nurse practitioners and physicians.

The South Dakota Board of Nursing provides that the number of advanced practice nurses licensed in South Dakota is 800. While the proposed legislation would allow certified nurse practitioners and certified nurse midwives to practice with greater autonomy, there is nothing that would significantly increase the proportion of these providers in practice, or increase the portion of overall medical services provided by certified nurse practitioners and certified nurse midwives beyond the level currently represented in the state's health care program forecast. Therefore, this legislation has no direct fiscal impact on the state's cost of providing publicly funded health care programs for low-income South Dakotans.

Section 26 clarifies the South Dakota Board of Nursing's ability to approve curricula and standards for educational programs preparing persons to meet licensure requirements.

Section 44 provides for rulemaking authority for approval of the educational programs described in section 26.

The South Dakota Board of Nursing regularly promulgates rules, so the creation of these new rules is projected to have a minimal fiscal impact. The addition of an educational approval process by the Board will require an additional 0.15 FTE in professional staff.

<u>SD Board of Nursing Staff</u>	<u>Salary</u>	<u>FTE Impacted</u>	<u>Salary Cost</u>	<u>Benefits</u>	<u>Total Cost</u>
Nurse III Professional	\$73,774	0.15 increase	\$11,062	\$1,660	\$12,722
Total:		0.15 increase	\$11,062	\$1,660	\$12,722

Sections 45-49 repeal locum tenens license provisions which allow the license holder to practice as a nurse practitioner or nurse midwife in South Dakota for a limited period of time.

In statute, the locum tenens license has an annual renewal fee of \$50; however, the South Dakota Board of Nursing does not currently issue locum tenens licenses, so there will be no impact on revenues.

For the reasons stated above, it is the opinion of the Legislative Research Council the fiscal impact of this bill will result in annual savings of \$71,377 in other funds.

APPROVED BY: /S/ Jason Hancock, LRC Director DATE: 2/13/2017