

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 622 (First Edition) Nursing Home Admin. Bd./Fees

**SHORT TITLE:** Nursing Home Admin. Bd./Fees

**SPONSOR(S):** Senator Kerr

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 1999-00</u></b>	<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>
<b>REVENUES</b>					
Special Revenue Fund					
Inactive Status	\$9,975	\$9,975	\$9,975	\$9,975	\$9,975
Temporary License	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600
Contested Cases	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>
Total	\$19,575	\$19,575	\$19,575	\$19,575	\$19,575
<b>EXPENDITURES</b>					
	Not Yet Determined by Board				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> North Carolina State Board of Examiners for Nursing Home Administrators					
<b>EFFECTIVE DATE:</b> The act is effective when it becomes law.					

**BILL SUMMARY:** The bill makes the following changes: 1) increases the exam fee from up to \$200 to an amount up to \$200 plus cost of the exam; 2) increases the fee for going into inactive status from \$25 to \$200 and reduces the period of inactive status from 5 years to 2 years; 3) increases the cost of a temporary license from \$100 to \$200; 4) sets a maximum annual fee of \$2000 for course providers of Continuing Education courses; and 5) allows recovery of costs of enforcement proceedings of up to \$5000.

**ASSUMPTIONS AND METHODOLOGY:**

**I. Exams**

The Board of Examiners for Nursing Home Administrators (State Board) now collects \$200 for examination of administrators-in-training. From this fee, \$150 is sent to the National Association

of Boards of Examiners for Nursing Home Administrators and \$50 is retained by the State Board to cover processing costs. In January 2000, administrators-in-training will pay the National Board directly for the exam. The proposed language in section one of the bill allows the State Board to continue collecting up to \$200 for processing the exam and states that exam applicants will pay the actual cost of the exam. Since the State Board has no plans to increase their processing fee beyond the \$50 now charged, revised 90-280(a) has no fiscal impact.

## **II. Inactive Status**

In each of the last two years, there have been 57 applicants for inactive status. Revised 90-280(e) increases the fee from \$25 to \$200 and reduces the time permitted on inactive status from 5 to 2 years. This change could encourage former nursing home administrators to reapply for a permanent license or simply let their license lapse. The State Board makes no prediction on the future of this group, but simply projects that an average of 57 applicants each year will pay the new \$200 rate. At this new rate, the State Board will collect \$9,975 in new revenue each year.

## **III. Temporary License**

The State Board issued 46 temporary licenses in 1997-98 and has issued 44 temporary licenses in the first 9 months of 1998-99. When the State Board meets every six weeks it approves temporary licenses until the next exam period, which are held four times a year. The State Board expects the number of temporary licenses to remain at 46 per year even with the increase to \$200 in 90-280(f). This will generate \$4,600 in additional revenue each year.

## **IV. Course Fees**

The State Board may charge up to \$100 to certify a continuing education course offered by an agency or individual, but now charges \$50 per course. 90-280(g) offers a new option to groups who provide numerous continuing education courses. The State Board believes such groups as the NC Health Care Facilities Association, the NC Nonprofit Association, and the Northwest AHEC will take advantage of this \$2,000 annual fee. The new fee will reduce the paperwork on both the State Board and the course sponsors and is not expected to reduce course revenue.

## **V. Contested Cases**

The State Board has witnessed an increased number of enforcement cases in recent years due to the increased inspection efforts of the Division of Facility Services in the Department of Health and Human Services. The State Board receives about 20 cases a year that they try to resolve by consent order. However, about one case per year cannot be easily resolved due to the respondent's failure to cooperate in good faith in the investigation and proceeding. The State Board can charge up to \$5,000 in each of these cases to recover administrative costs.

## **Fund Balances**

Year Ended June 30, 1998	\$88,325
Year Ended June 30, 1997	\$159,708
Year Ended June 30, 1996	\$145,813
Year Ended June 30, 1995	\$161,690

**FISCAL RESEARCH DIVISION 733-4910**

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