

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2010

SPONSOR: Senator Dawson

SUBJECT: Nursing and Allied Health Professions

DATE: April 2, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Munroe	Wilson	HC	Favorable
2.	_____	_____	ED	_____
3.	_____	_____	AHS	_____
4.	_____	_____	AP	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill creates the Workforce Development Commission on the Critical Shortage in Nursing and Allied Health Professions within the Department of Education. The commission must examine alternative strategies and develop a plan for: significantly increasing the number of students graduating from nursing programs and allied health programs in order to meet Florida's current and future needs for licensed nurses and allied health professionals; providing specialty training to licensed nurses in specified specialty areas; recruiting and funding efforts to increase nursing and allied health program faculty; establishing mentoring programs; and encouraging school-aged children to consider careers in nursing and allied health. The commission must provide a report of its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives no later than February 1, 2002. In its report, the commission must address and make specific findings regarding the existing strategies for promoting an adequate nursing workforce for the needs of Florida and any economic incentives for the promotion of this goal with industry officials.

The Workforce Development Commission on the Critical Shortage in Nursing and Allied Health Professions must be staffed by the Board of Regents or the successor agency that has the responsibilities currently assigned to the Board of Regents. The bill provides an appropriation in the sum of \$250,000 from the General Revenue Fund to the Department of Education for fiscal year 2001-2002, to carry out the provisions of this act.

This bill creates three undesignated sections of law.

## **II. Present Situation:**

### ***The Practice of Nursing***

Part I, of chapter 464, F.S., provides for the regulation of nursing practice by the Board of Nursing within the Department of Health. The chapter provides licensure requirements for licensed practical nurses and registered nurses, and certification requirements for advanced registered nurse practitioners. Advanced registered nurse practitioners perform all duties of a registered nurse and advanced level nursing in accordance with established protocols, including managing selected medical problems, monitoring and altering drug therapies, initiating appropriate therapies for certain conditions, performing physical examinations, ordering and evaluating diagnostic tests, and ordering physical and occupational therapies for certain uncomplicated acute illnesses. Although advanced registered nurse practitioners may prescribe medications in accordance with a protocol, they cannot prescribe controlled substances.

The part requires any institution wishing to conduct an approved nursing program in Florida to apply to the Department of Health and to show compliance with the requirements of the part and any applicable administrative rules adopted by the board (Section 464.019, F.S.). The part requires professional or practical nursing licensure applicants to graduate from an approved nursing program as a prerequisite to being allowed to sit for the nursing licensure examination (Section 464.008). The part grants the board authority to adopt rules regarding educational objectives, faculty qualifications, curriculum guidelines, administrative procedures, and clinical training as are necessary to ensure that approved nursing programs graduate nurses capable of competent practice (64B9-2, *Florida Administrative Code*).

According to the Board of Nursing, there are eighty-five approved nursing programs in Florida. This number includes 15 baccalaureate programs, 26 associate degree programs, and 44 licensed practical nurse programs. As of June 30, 2000, there were 1,900 students enrolled in baccalaureate programs, 4,774 students enrolled in associate degree programs, and 2,342 students enrolled in the licensed practical nurse program.

### ***Nursing Student Loan Forgiveness Program***

Section 240.4075, Florida Statutes, establishes the Nursing Student Loan Forgiveness Program within the Department of Education. The program was established to increase employment and retention of registered nurses and licensed practical nurses in nursing homes and hospitals in the State and in State-operated medical and health care facilities, birth centers, federally sponsored community health centers and teaching hospitals. The program provides financial assistance to eligible nurses by making repayments toward loans obtained by the licensed nurse to pay for a postsecondary nursing education. To be eligible for repayment of a loan, a candidate must have graduated from an accredited or approved nursing program and have received a Florida license as a licensed practical nurse or registered nurse, or certification as an advanced registered nurse practitioner. The program only covers repayment of loans to pay the costs of tuition, books, and living expenses for a total that may not exceed \$4,000 for each year of education. To receive funds under the program, the candidate must show proof of employment in designated facilities in the State. Loan principal payments must be made by the Department of Education directly to the federal or state programs, or the commercial lending institutions. The loan principal and

accrued interest is retired on the following schedule: twenty-five percent of the loan principal and accrued interest shall be retired after the first year; fifty percent is retired after the second year; seventy-five percent is retired after the third year; and the remaining loan principal and accrued interest after the fourth year.

The program is funded from a \$5 licensing fee collected from each nurse upon initial licensure and license renewal. Revenues collected from the fee must be deposited into the Nursing Student Loan Forgiveness Trust Fund and used to fund both the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program. The trust fund is administered by the Department of Education and the Comptroller authorizes expenditures from the trust fund upon receipt of vouchers approved by the Department of Education. The Department of Education may solicit technical assistance for the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program from the Department of Health.

Any funds which are used for loan forgiveness for nurses employed by hospitals, birth centers, and nursing homes must be matched on a dollar-for-dollar basis by contributions from the employing institutions. Employing institutions that are state-operated medical and health care facilities, county health departments, federally sponsored community health centers, or statutory teaching hospitals are exempt from the requirement to match loan forgiveness funding for those nurses employed by those entities. Any money collected from the private health care industry and other private sources, as matching funds must be deposited into the trust fund. Any balance in the trust fund at the end of any fiscal year must remain and be available for the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program established under s. 240.4076, F.S. All moneys in the Nursing Student Loan Forgiveness Trust Fund must be invested and interest income accruing to that portion of the trust fund not matched must increase the total funds available for loan forgiveness and scholarships. The Department of Education is authorized to recover its costs for administering both the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program from the trust fund. The Department of Education may adopt rules necessary to implement the Nursing Student Loan Forgiveness Program.

The Office of Health Professional Recruitment within the Department of Health initially administered the Nursing Student Loan Forgiveness Program. The program was transferred to the Department of Education on July 1, 1998. According to officials at the Department of Education, there were no employing entities that were required to give a dollar for dollar match of scholarship funds during the period from 1994-2000. The following table identifies the number of nurses funded, the average amount of an award, and total program disbursements for FY 95-96 through FY 99-00.

Year	Number of Nurses Funded	Average Award Amount	Total Disbursements
1995-1996	95	\$1,301	\$123,569
1996-1997	58	\$1,791	\$103,853
1997-1998	81	\$2,251	\$182,364
1998-1999	90	\$2,025	\$182,269
1999-2000	80	\$2,709	\$216,730

Source: Department of Education

### *Nursing Scholarship Program*

Section 240.4076, F.S., establishes the Nursing Scholarship Program that gives financial assistance to applicants who are enrolled as full-time or part-time students in the upper division of an approved nursing program leading to a baccalaureate or any advanced registered nurse practitioner degree or are enrolled as a full-time or part-time student in an approved program leading to an associate degree in nursing or a diploma in nursing. A scholarship may be awarded for no more than 2 years, in an amount no greater than \$8,000 per year. Registered nurses who are pursuing an advanced registered nurse practitioner degree may receive up to \$12,000 per year. Beginning July 1, 1998, these amounts are adjusted by the amount of any increase or decrease in the consumer price index for urban consumers, published by the United States Department of Commerce.

Scholarship payments are transmitted to the recipient after the Department of Education has received documentation that the recipient is enrolled in an approved nursing school. To be eligible for a nursing scholarship in the program, an applicant must be enrolled as a full-time or part-time nursing student in an approved nursing program and pursuing an associate degree or a diploma in nursing; or be enrolled in the upper division of an approved nursing program and pursuing a baccalaureate or any advanced registered nurse practitioner degree. For each full year of scholarship assistance received, the recipient must agree to work 12 months at a health facility in a medically under-served area approved by the Florida Department of Education. Scholarship recipients who attend school on a part-time basis must have their employment service obligation prorated in proportion to the amount of scholarship payments received. Eligible health care facilities include state-operated medical or health care facilities, county health departments, federally sponsored community health centers, or statutory teaching hospitals. The Department of Education must develop a formula to prorate payments to scholarship recipients so that it does not exceed the maximum amount per academic year.

The Nursing Scholarship Program has penalties for recipients who default on their education or service requirements. Any recipient who does not complete an appropriate program of studies or who does not become licensed must repay the Department of Education the entire amount of the scholarship plus 18 percent interest accruing from the date of the scholarship payment. Any recipient who does not accept employment as a nurse at an approved health care facility or who does not complete 12 months of approved employment for each year of scholarship assistance received must repay the Department of Education an amount equal to two times the entire amount of the scholarship plus interest accruing from the date of the scholarship payment at the maximum allowable interest rate permitted by law. Repayment must be made within 1 year of notice that the recipient is in default. The Department of Education must adopt rules to implement the Nursing Scholarship Program, including rules to address extraordinary circumstances that may cause a recipient to default on his or her agreement.

On July 1, 1998, the Nursing Scholarship Program was transferred from the Department of Health to the Department of Education.

The following table identifies the number of nurses receiving scholarships, the average amount of the scholarship and total program disbursements for FY 95-96 through FY 99-00.

Year	Number of Nurses Funded	Average Award Amount	Total Disbursements
1995-1996	8	\$10,500	\$84,000
1996-1997	1	\$6,000	\$6,000
1997-1998	2	\$12,000	\$24,000
1998-1999	1	\$3,000	\$3,000
1999-2000	0	\$0	\$0

Source: Department of Education

### *The Nursing Shortage*

There is a national nursing shortage. The nursing population is aging and a significant number will be retiring in the next decade. The present average age of employed registered nurses in the United States is 45.2 years with registered nurses aged under 30 years accounting for only 10 percent of the total working nurse population. The average age of full-time nursing faculty is 52.1 years and approximately half of the current full nursing faculty will retire within the next 10 years. In Florida, current faculty vacancies remain difficult to fill with low salaries, lack of teaching experience or formal education in teaching cited as primary factors.

Hospitals are serving more patients who are older and sicker and this in turn increases the demand for experienced, qualified registered nurses and other allied health professionals. According to the United States Census Bureau the number of nurses practicing in the United States will be 20 percent below the projected need in the year 2020.

In Florida, the demand for registered nurses will grow from 120,700 to 156,100 in the next decade. Efforts to improve patient safety and staffing levels to provide quality healthcare will continue to escalate the demand for qualified experienced registered nurses.

Nursing vacancies will continue to grow to more than 300,000 open positions this year. The United States Labor Department of Labor Statistics predicts that 794,000 new registered nurse positions will be needed from 1998 to 2008. According to the Florida Department of Labor, the demand for nurses will increase by 29.3 percent over the next decade and this is equal to about 36,000 more nurses who will be needed over the next decade.

### *Nursing Workforce Centers*

Several states have created centers that research and evaluate nursing workforce issues. In 1991, North Carolina became the first state to fund an agency dedicated to assuring that there would be adequate nursing resources to meet the health care needs of its citizens. The creation of the North Carolina Center for Nursing was the culmination of three years of work by the North Carolina General Assembly and the Legislative Study Commission on Nursing. The Nursing Shortage Act of 1991 (GS 90-171) was the vehicle used to outline the mission and strategies defined by the legislature to address the nursing shortage that had plagued North Carolina in the late 1980's. The center is currently working on a statewide strategic plan to develop a nurse workforce planning model to assist the health care industry in the State of North Carolina.

In Texas the Center for Health Economics and Policy at the University of Texas Health Science Center at San Antonio has developed the Texas Nurse Workforce Data System. The system is an initiative of the Texas Nurses Foundation in partnership with the Texas Institute for Health Policy Research and the Center for Health Economics and Policy. The Texas Nurse Workforce Data System provides timely, reliable geographically specific, data and analysis to assist employers, educators, policy makers, and nurses in Texas who must be capable of predicting major changes in the supply and demand for nurses. An 18-member committee assists the center by making recommendations regarding priorities and future projects, by reviewing and responding to findings, and assisting in the identification of planning strategies that promote efforts for nurse workforce planning.

### ***Allied Health Professionals***

Allied health professionals include health care personnel who are licensed and unlicensed practitioners. A medical assistant is an unlicensed multi-skilled person who works under the direct supervision and responsibility of a physician. This person performs duties under the direction of a physician in all areas of medical practice. Patient care management includes preparing treatment and examination rooms, taking vital signs, possibly assisting in minor surgical procedures, giving injections, doing venipuncture, assisting in laboratory operations, taking X-Rays, and doing electrocardiograms. In addition to the clinical aspects, a medical assistant's function in an administrative capacity includes maintaining patient records, billing, scheduling appointments, ordering supplies, and handling insurance claims.

Medical laboratory technicians work in hospitals, clinics and research laboratories. Medical laboratory technicians are licensed by the Department of Health and perform routine clinical laboratory tests that require minimal exercise of independent judgment. Under the supervision of a medical technologist or pathologist they perform tests in chemistry, hematology, urinalysis, blood banking, and microbiology, using laboratory instruments.

A licensed physical therapist assistant works under the supervision of a licensed physical therapist to assist in the delivery of physical therapy services. The physical therapist assistant's duties include implementing comprehensive treatment plans according to the physical therapist's plan of care, training patients in exercises and activities of daily living, conducting treatments, administering modalities and other treatment procedures and reporting observations and responses to the physical therapist.

Radiology technologists are certified by the Department of Health and take X-rays according to standardized practices and procedures and perform general radiographic and fluoroscopic procedures.

Recent surveys of Florida hospitals by the Florida Hospital Association show that facilities are struggling to fill key patient care positions. While hospitals have focused primarily on the nursing shortage, they also face challenges in filling specified positions for allied health professions, including radiology technologist and medical technologist positions. The Federal Bureau of Labor Statistics estimates 50,000 more radiology technologists will be needed nationally by 2006. The Florida Department of Labor estimates the need for radiology technologists to grow to 11,954 in 2007 from 8,860 in 1997, a 35% increase. The growing

number of elderly increases the need for imaging services as well as creates new uses for MRI, CT scan, mammography and ultrasound. The Florida Department of Labor estimates by 2007, Florida will need 10,998 medical technologist, 23% more than what the state had in 1997.

### **III. Effect of Proposed Changes:**

**Section 1.** The bill provides legislative findings and declares that Florida is experiencing a nursing shortage that could have serious consequences for the delivery of health care in the state. The average age of registered nurses in Florida is 45 years. The number of nurses who retire each year is increasing, while the number of new nursing graduates is stable. As the baby boom population ages, the need for a larger nursing workforce will increase dramatically. Waiting times for students who are interested in enrolling in nursing programs are unacceptably long and are not consistent with the needs of Florida. Further, the bill provides that the State may use alternative strategies such as increasing full-time equivalent student funding, grants, and loan-forgiveness programs; recruiting and funding efforts to increase nursing and allied health program faculty to meet Florida's current and future needs for licensed nurses and unlicensed allied health professionals; and encouraging school-age children to enter nursing and allied health professions.

**Section 2.** The bill creates the Workforce Development Commission on the Critical Shortage in Nursing and Allied Health Professions within the Department of Education. The bill specifies the commission's duties and responsibilities. The commission must examine alternative strategies and develop a plan for: significantly increasing the number of students graduating from nursing programs and allied health programs in order to meet Florida's current and future needs for licensed nurses and allied health professionals, including the economic implications of the state's failure to do so; providing specialty training to licensed nurses; recruiting and funding efforts to increase nursing and allied health program faculty at a level sufficient to meet Florida's current and future needs for these professionals; establishing mentoring programs for nursing and allied health students; and encouraging school-aged children to consider careers in nursing and allied health.

The commission must provide a report of its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives no later than February 1, 2002. In its report, the commission must address and make specific findings regarding the existing strategies for promoting an adequate nursing workforce for the needs of Florida and any economic incentives for the promotion of this goal with industry officials.

The commission must be composed of the Chancellor of the Board of Regents or his or her designee, who shall chair the commission, and one representative from each of the following agencies or organizations: postsecondary institutions under the jurisdiction of the State Board of Nonpublic Career Education, the State Board of Community Colleges, and the State Board of Independent Colleges and Universities; the Board of Nursing; the Department of Health; organizations representing hospitals, long-term care facilities, and other employers of registered nurses and of unlicensed allied health personnel; board-approved nursing programs; and other interested groups. The commission must also include one registered nurse licensed in Florida, appointed by the Secretary of Health and two representatives from licensed schools that provide postsecondary training of unlicensed allied health professionals.

The commission must be staffed by the Board of Regents or the successor agency that has the responsibilities currently assigned to the Board of Regents. Sponsoring organizations must fund the travel and related expenses of their appointed members. Travel and related expenses for members who are sponsored by a state agency must be reimbursed by the state pursuant to s. 112.061, F.S.

**Section 3.** The bill provides an appropriation in the sum of \$250,000 from the General Revenue Fund to the Department of Education for fiscal year 2001-2002, to carry out the provisions of this act.

**Section 4.** The bill provides an effective date upon becoming a law.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

##### **B. Public Records/Open Meetings Issues:**

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

##### **C. Trust Funds Restrictions:**

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, s. 19(f) of the Florida Constitution.

#### **V. Economic Impact and Fiscal Note:**

##### **A. Tax/Fee Issues:**

None.

##### **B. Private Sector Impact:**

Organizations sponsoring members to participate on the Workforce Development Commission on the Critical Shortage in Nursing and Allied Health Professions will incur the costs for travel and related expenses for that member's participation on the commission.

##### **C. Government Sector Impact:**

The Board of Regents or the successor agency that has the responsibilities currently assigned to the Board of Regents will incur costs to staff the Workforce Development Commission on the Critical Shortage in Nursing and Allied Health Professions. State agencies that sponsor members on the commission will incur travel and related expenses.



**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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