

PREPARED BY: Liz Hruska
 DATE PREPARED: February 16, 2018
 PHONE: 402-471-0053

LB 1127

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		\$555,080		\$555,080
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	\$555,080	See Below	\$555,080

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill would assess a fee of \$10 on issuance of initial credentials and renewals of the following eight health professions: physician, physician assistant, osteopathic physician, RNs, LPNs, pharmacist, physical therapist and occupational therapist. The fee would be deposited into the Patient Safety Cash Fund which is created in the bill. The funds would be used to support activities of a patient safety organization. The fee terminates on January 1, 2025.

An annual fee would generate \$555,080 in revenue. The renewals are on a biennial basis. The Department indicates there would be approximately \$60,000 to \$68,000 annually in cost to collect the fee in the non-renewal years. The Department put a technical note indicating that if the fee was aligned with the renewal periods, these cost would not be needed.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1127	AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson		DATE: 2/14/2018	PHONE: 402) 471-4173
COMMENTS: DHHS analysis and estimate of fiscal impact appear reasonable.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 1-22-18

Phone: (5) 471-6719

	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$68,169		\$59,856	
CASH FUNDS		\$555,080		\$555,080
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$68,169	\$555,080	\$59,856	\$555,080

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 1127 would establish a new fee for holders of the following credentials: physician, osteopathic physician, physician assistant, nurse, occupational therapist, physical therapist, or pharmacist. The fee would be in addition to current initial application or renewal fees. Credentialed individuals would be charged a \$10 annual fee to be credited to the Patient Safety Cash Fund.

LB 1127's fee would apply to approximately 55,000 credential holders:

Profession	Credential Count
Physician	9,172
Osteopathic physician	1,189
Physician Assistant	1,246
Nurse (RN)	30,061
Nurse (LPN)	5,878
Pharmacist	4,800
Physical Therapist	1,888
Occupational Therapist	1,274
Total	55,508

This additional fee would generate approximately \$555,080 in annual revenue.

LB 1127 stipulates an annual fee, while the impacted credentials are subject to biennial renewal. The Department would be able to include the patient safety fee notification along with initial and biennial renewal at no additional cost. The Department would incur cost to notify credential holders of fees due in off years. Per pricing provided by the Department of Administrative Services, the Department estimates the biennial cost of print and postage for 55,508 postcards at \$22,530, or \$0.4059 per unit. Of the credentials above, 37,995 would not otherwise be required to pay a renewal fee in FY19 and will require separate notification. In FY20, 17,513 would require separate notification. This results in \$15,422 in print and postage in FY19 with another \$7,109 in FY20. This cost would be incurred in Program 178 Professional and Occupational Licensure.

Instituting a new fee that would be paid separately from renewal fees during off years would increase the check processing workload in the Department's financial services receipts team. The Department estimates approximately 1 FTE Accounting Clerk II would be necessary (Program 261).

As the patient safety fee revenue collected under LB 1127 would be reserved for patient safety organizations, expenses are assumed to be financed with general funds.

Technical note recommended: The expenditure portion of this fiscal note would go to zero if LB 1127 is amended to change this to a biennial fee to coincide with initial licensure and renewal.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
	18-19	19-20	EXPENDITURES	EXPENDITURES
Accounting Clerk II	1	1	\$30,266	\$30,266
Benefits.....			\$9,513	\$9,513
Operating.....			\$28,390	\$20,077
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$68,169	\$59,856