

Fiscal Note & Local Impact Statement

123rd General Assembly of Ohio

BILL: Sub. H.B. 241 DATE: January 12, 2000

STATUS: As Reported by Senate Health, Human Services and Aging SPONSOR: Rep. Hollister

LOCAL IMPACT STATEMENT REQUIRED: No — No local cost

CONTENTS: Permit clinical nurse specialists (CNS), certified nurse-midwives (CNM), and certified nurse practitioners (CNP) to prescribe drugs and therapeutic devices.

State Fiscal Highlights

STATE FUND	FY 2000	FY 2001	FUTURE YEARS
Occupational Licensing Fund (GSF Fund 4K9)			
Revenues	- 0 -	Gain of \$95,000 - \$142,000 from certificates to prescribe plus gain of \$9,000 - \$13,500 from Externship Certificates plus negligible gain in fine revenue	Gain of \$95,000 - \$142,000 in year 1 (odd fiscal year) of biennial renewal cycle and gain of \$18,000 - \$27,000 in year 2 (even fiscal year) of biennial renewal plus minimal gain in fine revenue
Expenditures	- 0 -	Increase of \$135,000 related to prescriptive authority certification activities and up to \$5,000 to cover expenses of the Committee on Prescriptive Governance	Annual increase of \$110,000 related to prescriptive authority certification activities and up to \$5,000 to cover expenses of the Committee on Prescriptive Governance

Note: The state fiscal year is July 1 through June 30. For example, FY 2000 is July 1, 1999 – June 30, 2000.

- The bill includes a \$50 fee for a certificate to prescribe drugs and therapeutic devices. The bill states that the duration of this certificate shall be two-years, unless otherwise provided for in rules adopted under ORC 4723.50. LBO estimates that of the 3,796 licensed CNMs, CNPs, and CNSs, anywhere between 50 and 75 percent might initially seek prescriptive authority. In FY 2002, revenue will decrease since it would be the second-year of the biennium certification. In FY 2003 and future odd fiscal years, revenue should be similar to the gains predicted for FY 2001. Potential growth in the number of CNMs, CNPs, and CNSs should cause the potential revenue to be closer to the \$142,000 estimated figure.
- The Board of Nursing (NUR) reported that the number of individuals certified as CNMs, CNPs, and CNSs is growing at a rate of approximately 30 per month. Using the same percentage of 50 to 75 percent, this would lead to a total of 180 to 270 new nurses eligible per year, with required training, to achieve prescriptive authority. Under the bill, individuals must receive a certificate to prescribe prior to beginning the required externship. This \$50



“Externship Certificate” shall be valid for no more than one year. LBO estimates that NUR revenues could increase by \$9,000 to \$13,500 each year. The Board would also receive an additional estimated \$9,000 - \$13,500 in the “off-year” of the two-year renewal cycle from individuals whose externship ended in the middle of the NUR renewal period and whose full certificate to prescribe would be received in this “off-year.”

- The bill sunsets the sections of the Revised Code granting prescriptive authority to Advanced Practice Nurses (APNs) in the University Pilot Programs three years and eight months after the effective date of the initial rules adopted by the Board of Nursing (NUR) under section 4723.50 of the Revised Code, as contained in the bill. At that time, APNs would need to be licensed under the prescriptive authority sections established in this bill. As of January 6, 2000, there are 128 APNs in the pilot programs. The licenses for these individuals expired on August 31, 1999 and were renewed for two additional years at that time. The fee for these individuals is \$50 for the APN certification and \$50 for prescriptive authority.
- The bill provides for a one-time “grandfathering” of advance practice nurses (APNs) without masters degrees provided they have 10 years of clinical experience and apply for prescriptive privileges no later than one year after the effective date of the rules adopted by NUR under ORC 4723.50.
- The Board estimates expenses related to prescription authority total about \$110,000 per year. The Board will also incur \$25,000 in start up costs in FY 2001.
- Under the bill, the NUR is required to annually publish the formulary and any supplements to the formulary established by the Committee on Prescriptive Governance (created in ORC 4723.49, as contained in the bill). The document may be made available to the public in either printed form or electric form, with the choice left to the Board. This will have minimal added costs to the Board.
- The Committee on Prescriptive Governance will contain ten (10) members that shall only receive compensation for actual and necessary expenses incurred in performance of their official duties. LBO estimates that total expenditures for the Committee would be no more than \$5,000 per year.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Board of Nursing Certification Revenues

This bill establishes prescriptive authority for a subset of the category of licensed nurses known as the “Four C’s.” The Four C’s include clinical nurse specialists (CNS), certified nurse-midwives (CNM), certified nurse practitioners (CNP), and certified registered nurse anesthetists (CRNA). These individuals all must be licensed registered nurses (RN) before receiving certification in the respective specialty. The table below lists the number of individuals in the Four C’s as of January 6, 2000.

Category	Number
CRNA	1,753
CNS	1,635
CNP	1,900
CNM	261
TOTAL	5,549

The provisions of H.B. 241 do not apply to CRNAs, leaving 3,796 licensed individuals eligible for prescriptive authority. Under ORC 4723.43 (B), CRNAs are not required to obtain a certificate to prescribe in order to provide the anesthesia care described in that section of the Revised Code.

The renewal fee for prescriptive authority is \$50. Under the bill, this certificate to prescribe shall be valid for a period of two years unless the period of time is changed through the rule making process under ORC 4723.50. LBO estimates that 50 to 75 percent of the potentially eligible nurses would seek prescriptive authority. Using this estimate, LBO assumes an increase in revenue of \$95,000 to \$142,000 every two years (in odd fiscal years). In the off year of the biennial cycle (even fiscal years), LBO estimates revenues of \$12,000 to \$18,000. This figure was derived using the Nursing Board information that the number of new Four C’s is growing by approximately 40 per month. After subtracting the CRNAs (about 30 percent of total), the monthly growth among the remaining three is about 30 per month (360 per year for CNS, CNP, CNM). Taking 50 – 75 percent of the 360 licensees at \$50 per certificate yielded the estimate for the off-year revenue.

The bill also states that prior to undertaking an externship, the nurse seeking prescriptive authority must obtain an “Externship Certificate” from the Board. This fee would also be \$50 and the license would be valid for no more than one year. Upon completion of the externship, the nurse would apply to the Board for prescriptive authority. Since all new eligible licensees seeking prescriptive authority would need this externship certificate, the Board should have additional revenues of \$9,000 to \$13,500 each year.

Required Training and Prescription Guidelines

Under the bill, an individual holding a certificate of prescriptive authority may only prescribe drugs included on the formulary established in rules under ORC 4723.50. However, regarding Schedule II Controlled Substances, a nurse with prescriptive authority may only prescribe to a patient with a terminal condition according to circumstances established in ORC 3719.06 (A)(2).

The As Reported by Committee version of Sub. H.B. 241 also allows nurses with prescriptive authority to furnish a patient with any drug listed on the formulary that's packaged as a non-controlled substance sample, free of charge. Within a limited set of categories, a nurse with prescriptive authority may personally furnish drugs and therapeutic devices that are not packaged as samples.

Prior to receiving prescriptive authority, an RN with a graduate degree must successfully complete a course of study in advanced pharmacology, including a minimum of 30 contact hours of training in advanced pharmacology. This training must be obtained no more than three years prior to applying for certification.

In addition to training in advanced pharmacology, an individual seeking certification must complete an externship of no more than 1,800 hours. According to section 4723.48 of the Revised Code, as contained in the bill, this externship "must evaluate the nurse's competence, knowledge, and skill in pharmacokinetic principles and their clinical application to the specialty being practiced." The externship shall be performed under the supervision of a collaborating physician. Individuals possessing an externship certificate may only prescribe under the supervision of a physician. With the certificate to prescribe, a nurse may prescribe under the collaboration of a physician.

The requirements governing the 30 hours of advanced pharmacology and the externship do not apply to nurses participating in the Advanced Practice Nursing (APN) pilot programs on the effective date of this bill. Individuals becoming APNs after the effective date of this section, however, would be required to complete the externship and the 30 contact hours in advanced pharmacology.

Committee on Prescriptive Governance

Once certificated by the Board, a nurse with prescriptive authority may only prescribe drugs and therapeutic devices contained in the formulary established by the Committee on Prescriptive Governance. This ten-member committee includes representatives of the following groups:

- 1) One CNM;
- 2) One CNP;
- 3) One CNS;
- 4) One member of the Board of Nursing who is a registered nurse (RN);
- 5) Four physicians, at least two that collaborate with CNM, CNS, CNP, one physician certified in family practice, and one physician member of the State Medical Board. A physician that is certified in family practice and a member of the Medical Board, for example, would satisfy the requirements that both categories be represented;

- 6) A member of the State Board of Pharmacy who is a pharmacist; and
- 7) A pharmacist licensed by the Ohio Board of Pharmacy who is actively engaged in practice as a clinical pharmacist. This member has limited voting power.

This panel will provide some added expenses for the Nursing Board, but since members are compensated only for actual and necessary expenses in performance of their duties, this cost should not exceed \$5,000 per year. The actual figure would depend upon the actual number of meetings the Committee held in a given year. Fewer meetings would decrease the cost for the Board.

The Board is required to annually produce, and make available to the public, the formulary established in rules under ORC 4723.50. This document may be in printed or electronic form. According to the Board, the electronic form will most likely be selected. By comparison, the current formulary for the APN pilot program totals about 100 pages. The Board simply prints this document and sends it to a document store for mass photocopying at an estimated cost of about \$3 per copy.

Fine Revenue and the Role of APNs

Amended Substitute H.B. 478 of the 119th General Assembly, as amended by Am. Sub. S.B. 154 of the 121st General Assembly, established the issuance of Advanced Practice Nursing licenses in the University Pilot Programs. These individuals, in addition to their regular RN license, pay a \$50 biennial fee to enter the pilot program plus a \$50 biennial fee for prescriptive authority. As of January 6, 2000, there are 128 APNs in the pilot programs.

The certificates of authority for APNs expired on August 31, 1999. At that time, these individuals applied for another two-year renewal. Under H.B. 241, these individuals would be permitted to continue prescribing drugs under that license for the full two-year period. However, two years after the effective date of rules adopted by the Board under ORC 4723.50, these individuals would be required to follow the same procedures for prescriptive authority outlined in this bill for CNMs, CNPs, and CNSs. As mentioned above, the bill contains a one-time grandfathering provision for all APNs that do not possess at least a masters degree, one of the new requirements to receive prescriptive authority.

According to the Board of Nursing, since the establishment of the APN program, there have been no individual nurses that have faced disciplinary actions related to misuse of prescriptive authority. LBO assumes that the overwhelming majority of nurses receiving this authority would act responsibly and in accordance with the laws and rules established by the Board and the Committee on Prescriptive Governance. For this reason, LBO feels that the amount of fine revenue, and possible expenses relating to prosecution for violations, should be minimal.

□ *LBO staff: Jeffrey M. Rosa, Budget/Policy Analyst*

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