

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 21, 2011

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB795 by Nelson (Relating to regulation of nurse aides.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB795, As Introduced: a negative impact of (\$344,388) through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$172,194)
2013	(\$172,194)
2014	(\$172,194)
2015	(\$172,194)
2016	(\$172,194)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GR Match For Medicaid</i> 758	Probable Savings/(Cost) from <i>Federal Funds</i> 555
2012	(\$172,194)	(\$172,194)
2013	(\$172,194)	(\$172,194)
2014	(\$172,194)	(\$172,194)
2015	(\$172,194)	(\$172,194)
2016	(\$172,194)	(\$172,194)

Fiscal Analysis

The bill would implement recommendations in the report, "Strengthen Certified Nurse Aide Training to Improve the Quality of Care" in the Legislative Budget Board's *Government Effectiveness and Efficiency Report* submitted to the Eighty-second Texas Legislature, 2011.

The bill would require an applicant for a nurse aide certificate to complete a program approved by the Department of Aging and Disability Services (DADS) that includes: at least 120 hours, but not more than 359 hours of course work and a competency evaluation at the end of the training program. A nurse aide's listing on the Nurse Aide Registry (NAR) would expire on the second anniversary of the listing date. A nurse aide would be required to complete at least 12 hours of annual continuing education to renew the nurse aide's listing on the NAR. The executive commissioner of the Health and Human Services Commission (HHSC) could adopt rules to implement the new section.

The new requirements of the bill would apply to a nurse aide's application for initial listing on the NAR or for a renewal application that is filed on or after September 1, 2012. An application filed before that date would be governed by the law in effect immediately before the effective date of the bill.

The bill would be effective on September 1, 2011.

Methodology

The fiscal analysis assumes that there would be increased costs to reimburse providers for the increased training hours for nurse aides. Required training hours would increase 60 percent from 75 hours to 120 hours. Assuming a 60 percent increase in reimbursement to providers for the increased length of training, the additional All Funds annual cost is estimated to be \$344,388 (\$172,194 in General Revenue Funds and \$172,194 in Federal Funds) more than provider reimbursements made in fiscal year 2010.

It is assumed the Department of Aging and Disability Services (DADS) could implement the bill's provisions related to continuing education with existing resources by auditing a sample of nurse aide renewal applications for compliance with the existing recertification requirements and the new continuing education requirements. It is also assumed that DADS would change the certification status to "expired" in the NAR for any certificate holder found through the auditing process to be non-compliant with continuing education requires until the recertification requirements were met by the certificate holder.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 539 Aging and Disability Services, Department of
LBB Staff: JOB, CL, JI, AFe