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FISCAL IMPACT REPORT

SPONSOR Kernan/Ingle/Morales **ORIGINAL DATE** 1/13/17
LAST UPDATED 1/18/17 **HB** _____

SHORT TITLE Nurse Licensure Compact **SB** 1/aSJC/aSFL#1/ec

ANALYST Chenier/Daly

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
(\$0 to \$1.2)	(\$0 to \$1.2)	(\$0 to \$1.2)	Recurring	Board of Nursing

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0 to \$1.0	\$0 to \$1.0	\$0 to \$1.0	\$0 to \$1.0	Recurring	Board of Nursing

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Department of Health (DOH)
 Board of Nursing (BON)

SUMMARY

Synopsis of Senate Floor Amendment #1

Senate Floor amendment number 1 strikes the Senate Judiciary Committee amendments.

Synopsis of SJC Amendments

The Senate Judiciary Committee Amendments to Senate Bill 1 adds new Sections 3 and 4.

Section 3 provides that no rule adopted by the Interstate Commission of Nurse Licensure

Compact Administrators created in the compact that affects the practice of nursing in this state shall be effective in the state unless adopted as an administrative rule by the state Board of Nursing pursuant to the State Rules Act.

Section 4 provides that all agendas, minutes, reports and rulemaking records of the Interstate Commission be filed with the state Board of Nursing, subject to the Inspection of Public Records Act.

Synopsis of Original Bill

Senate Bill 1 repeals the original Nurse Licensure Compact (NLC) as provided for in Section 3-24.1 NMSA 1978 and replaces it with the Enhanced Nurse Licensure Compact (ENLC). Enactment would allow multistate licensure reciprocity for registered nurses, licensed practical nurses, and vocational nurses. Without the compact, nurse licensure would be required separately in each state in which the nurse chooses to practice. The new ENLC makes eligibility and licensure requirements more uniform across the states, adds new grandfathering provisions, provides states the authority to obtain and submit criminal background checks, establishes an interstate commission as a public agency with rule making authority, changes the dispute resolution process, and allows for termination of a state from the ENLC.

The bill also repeals NLC administrator duties and declares an emergency making the effective date of the act immediate upon signature of the governor.

Section 4, provides for an emergency clause.

FISCAL IMPLICATIONS

Original Compact States	Enhanced Compact States
• Arizona	• Arizona
• Arkansas	• Arkansas
• Colorado	• Delaware
• Delaware	• Idaho
• Idaho	• Iowa
• Iowa	• Kentucky
• Kentucky	• Maine
• Maine	• Maryland
• Maryland	• Mississippi
• Mississippi	• Missouri
• Missouri	• Montana
• Montana	• Nebraska
• Nebraska	• New Hampshire
• New Hampshire	• North Carolina
• New Mexico	• North Dakota
• North Carolina	• South Carolina
• North Dakota	• South Dakota
• Rhode Island	• Tennessee
• South Carolina	• Texas
• South Dakota	• Utah
• Tennessee	• Virginia
• Texas	• Wisconsin
• Utah	• Florida*
• Virginia	• Georgia*

• Wisconsin	• Oklahoma*
	• West Virginia*
	• Wyoming*

* Not an original compact state

Source: Travel Nursing.com

Five states joined the ENLC that were not members of the original compact, shown with asterisks above. BON stated that it expects expenditures to increase because of the cost of regulating additional out-of-state nurses. Of the new states, Oklahoma is the only one sharing a border with New Mexico and the number of nurses practicing here from these states will be minimal. BON also stated that they expect a decrease in license fee revenues from unknown numbers of nurses practicing in New Mexico who live in other compact states. However, since there are five states that were not original compact states, this effect is expected to be minimal.

BON does not have the ability to provide an estimate of how many out-of-state licenses are currently active in New Mexico. However, according to a survey conducted by the New Mexico Hospital Association (NMHA), there are about 136 traveling registered nurses working in 18 community hospitals across the state accounting for about 7 percent of the total workforce in these hospitals. Forty-five percent of these nurses work in New Mexico using out of state licenses and would not be able to work in New Mexico upon ENLC implementation. Lost revenue from nurses coming from the five new states would likely amount to less than \$1.2 thousand annually. The cost of regulating these nurses would likely be anywhere from \$0 to \$1 thousand annually.

BON recently increased licensure fees and the board would likely be able to absorb any increased costs or reductions in revenue related to the bill.

Annual dues to the newly established interstate commission are unchanged from the original compact commission and remain at \$6 thousand annually.

SIGNIFICANT ISSUES

When 26 states passed the compact into law in July 2017, ENLC became effective causing the commission overseeing the compact to set the implementation date of the ENLC for January 19th, 2018. Starting on the date of implementation, most out of state nurses will not be permitted to work in New Mexico unless their home state is still a member of the original NLC (Colorado and Rhode Island). This could cause nursing shortages in New Mexico and could impact telemedicine from out of state providers. Additionally, according to the National Council of State Boards of Nursing, the compact's author, if New Mexico does not pass ENLC into law by the implementation date, New Mexico nurses will not be grandfathered into ENLC and will have to seek new multistate licenses.

Most DOH nurses hold a New Mexico license, and the impact to the department if the ENLC is not enacted is expected to be indirect. These impacts will be seen throughout the public health system, including border health, school health, health facilities, and public health emergency response. These issues include the following:

- Public health emergencies require the movement of healthcare professionals across state lines to ensure adequate surge capacity. Nurses are necessary to staff surge beds, triage patients, and administer medications and emergency-related vaccines.

- In some parts of the state, NM school nurses hold licenses in other states. If they do not obtain NM licensure, this will impact school health and public health activities. It is already difficult to recruit school nurses, and having to obtain a NM license may be a barrier for some applicants. In addition, school based clinics, especially those sitting on the border with Texas, will be severely affected as a significant portion of their staff are Texas licensed, working in New Mexico.
- DOH contracts with nurse staffing agencies in state-run facilities. Most of these nurses hold NM licenses. Of 32 agency nurses working in DOH facilities, 9 hold out-of-state licenses; two of those 9 are expected to leave New Mexico for positions in other states.

Other impacts include: the ability of spouses or partners of military members to move and practice in different states; the number of contract nurses who staff hospitals; flight nurses and the ability to travel across state lines; and the impact on nursing clinical instruction in schools of nursing.

EC/al/sb