

## Department of Planning and Budget

### 2023 Fiscal Impact Statement

1. **Bill Number:** SB1458

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

2. **Patron:**        Ebbin

3. **Committee:** Rules

4. **Title:**            Department of Health Professions; use of supplemental nursing services agencies in assisted living.

5. **Summary:** Directs the Department of Health Professions to review and adopt regulations regulating the use of supplemental nursing services, defined in the bill, in assisted living facilities.

6. **Budget Amendment Necessary:** Yes, item 301 (DHP) and item 348 (DSS).

7. **Fiscal Impact Estimates:**

**7a. Expenditure Impact - Department of Health Professions:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$351,400	3	NGF
2025	\$351,400	3	NGF
2026	\$351,400	3	NGF
2027	\$351,400	3	NGF
2028	\$351,400	3	NGF
2029	\$351,400	3	NGF
2030	\$351,400	3	NGF

**7b. Revenue Impact - Department of Health Professions:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2024	\$351,400	NGF
2025	\$351,400	NGF
2026	\$351,400	NGF
2027	\$351,400	NGF
2028	\$351,400	NGF
2029	\$351,400	NGF
2030	\$351,400	NGF

**7c. Expenditure Impact - Department of Social Services:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$305,783	3	GF
2025	\$304,221	3	GF
2026	\$304,221	3	GF
2027	\$304,221	3	GF
2028	\$304,221	3	GF
2029	\$304,221	3	GF
2030	\$304,221	3	GF

- 8. Fiscal Implications:** The provisions of this legislation would have a fiscal impact on the Department of Health Professions and the Department of Social Services.

**Department of Health Professions:** The Department of Health Professions (DHP) does not have sufficient resources within the agency that can absorb this work because DHP (the agency, rather than the individual boards) does not license/certify/regulate/discipline practitioners. As such, DHP would need to set up a board administration structure within DHP and three positions to accomplish the provisions of the legislation.

DHP would need one licensing specialist (pay band 3) at \$85,600 in salary, benefits, and operational costs. This position would be processing applications for certifications and renewals, inputting data into the licensing software system, and managing all documents associated with certification to include issuance of the certification, with the exception of non-routine applications.

DHP would also need one program administrator (pay band 5) at \$137,100 in salary, benefits, and operational costs. This position would be responsible for the overall program management and operations of the unit certifying, inspecting, and disciplining these staffing agencies. This employee would also serve as a discipline case manager to facilitate the movement of cases through probable cause review stage and through the entire disciplinary process, as well as monitoring caseload. The employee would be responsible for all communications from the department with the staffing agency. Non-routine applications would be reviewed by the program manager.

Additionally, DHP would require one investigator at \$128,700 in salary, benefits, and operational costs. This certification would create an entirely new category of inspections and investigations that cannot be handled by existing staff, which are already running behind on investigations and inspections for most areas. This person would assist with inspecting/investigating these staffing agencies all over the state pursuant to complaints.

It is assumed that enforcement and sanctions shall be handled by the Department of Social Services per § 63.2-1709, Code of Virginia, as identified in the legislation.

Fees to license, certify, and regulate additional practitioners shall be set a level sufficient to cover the costs of this legislation.

**Department of Social Services:** This legislation creates a Department of Social Services (DSS) sanction for a nursing staffing agency licensed by the Department of Health Professions, which is a specialized situation requiring training and legal expertise. DSS does not currently regulate or license nursing staffing agencies and would need to create a new enforcement unit for sanctions against a supplemental nursing services agency that does not meet the minimum licensure requirements established by DSS (§ 63.2-1709). The passage of this legislation would create a fiscal impact because of this new process.

The DSS currently has one program consultant that handles 25-30 active cases annually. With passage of this legislation, enforcement cases are expected to increase and, by requiring DSS to take enforcement action on a service regulated by the DHP, DSS will need additional staff to focus on these specialized cases. DSS would need one licensing inspector at an average salary of \$65,000. Assuming the position would be filled within the first quarter of FY 2024, the cost for staff is \$81,189 GF in FY 2024 and \$103,089 GF in FY 2025 and each year thereafter. Staff costs include salary, benefits, non-personnel position costs (such as phone and computer charges), as well as a one-time-on-boarding cost in the first year.

The DSS expects the increased licensing enforcement sanctions from this bill to result in an increase in DSS appeals. The amount of time a hearings officer spends on an appeal depends on the type of case. The number of additional appeals DSS would be required to perform with passage of this legislation is unknown. However, assuming this type of appeal would involve researching an employment agency's employee's education, work expertise and background, one hearing officer would handle 2 hearings per week. To meet the workload demands that will result from implementation of this legislation, one Administrative Technician at a salary of \$43,721 and one Hearing Office at a salary of \$82,249 will be required. Assuming these positions will be filled within the first quarter of FY 2024, it would cost \$158,594 GF in the first year and \$201,132 GF in FY 2025 and each year thereafter. Staff costs include salary, benefits, non-personnel position costs (such as phone and computer charges), as well as a one-time-on-boarding cost in the first year.

Passage of this bill would also require system changes to track these additional enforcement cases and potential appeals and to develop a new category in the licensing application. This change will be a one-time cost of \$66,000 GF in FY 2024.

**9. Specific Agency or Political Subdivisions Affected:** The Department of Social Services and the Department of Health Professions.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.