



CALIFORNIA DEPARTMENT OF PUBLIC HEALTH



**Nursing Home Administrator Program
Annual Fee Report**

March 1, 2010

**NURSING HOME ADMINISTRATOR PROGRAM
ANNUAL FEE REPORT**

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NURSING HOME ADMINISTRATOR PROGRAM ANNUAL FEE REPORT

MISSION

The mission of the Nursing Home Administrator Program (NHAP) is to protect the public by ensuring only qualified nursing home administrators are licensed and appropriate standards of competency are established and enforced.

VISION

To ensure that California nursing homes are managed by qualified professional Nursing Home Administrators (NHAs) who demonstrate responsibility for:

- Planning, directing and administering the day-to-day functions of a facility;
- Maintaining the facility's compliance with all applicable laws, rules, and regulations;
- Implementing written administrative, management, personnel, and patient care policies and procedures governing the administration and management of the facility.

LEGISLATIVE REQUIREMENTS

Health and Safety Code Section (HSC§) 1416.36 (b) requires the California Department of Public Health (CDPH) to submit an annual fiscal year NHAP fee report to the Legislature by April 1st. The fees identified in the NHAP fee report are subject to adjustments by the Legislature in the annual Budget Act. The proposed adjustment in the examination fees shall not exceed the increase in the California Consumer Price Index, except as provided in subdivision (d). HSC§ 1416.36 (c) states that the Department shall by July 30 of each year, publish a list of actual numerical fee charges as adjusted pursuant to this section. HSC§ 1416.36 (d) states that if the revenue projected to be collected is less than the projected costs for the budget year, the department may propose that fees be adjusted by not more than twice the increase in the Consumer Price Index.

OVERVIEW

The NHAP Annual Fee Report defines the fees, and the fee structure for the operation of the NHAP in Fiscal Year (FY) 09/10. This report consists of exhibits that will illustrate the NHAP proposed fees and revenues for FY 09-10 and historical information on NHAP fees and revenues.

BACKGROUND

Program Background

The California State Board of Examiners of NHAs, within the California Department of Consumer Affairs (CDCA), was eliminated on June 30, 1998. However, federal law based on the Social Security Act § 1908 [42 U.S.C. 1396g] required the State to continue to develop, impose, and enforce standards that must be met by individuals in order to receive a license as a nursing home administrator, that insures nursing home administrators are individuals with good character and are otherwise suitable, and who, by training or experience in the field of institutional administration are qualified to serve as a nursing home administrator. Specifically, Title 42 Code of Federal Regulations (CFR) commencing with § 431.702 through 431.713 provides the State has a program for licensing administrators of nursing homes.

On July 1, 1998, through an interagency agreement, CDCA delegated the legislative and regulatory authority of the NHAP management, evaluation and planning to the CDPH, Licensing and Certification Division (L&C). Effective January 1, 2002, Assembly Bill (AB) 1409, Chapter 687, Statutes of 2001 added HSC§ 1416 through 1416.86, known as the Nursing Home Administrator Act (NHA Act), to permanently redirect the NHAP to the CDPH. HSC§ 1416.38 (c) authorizes the Nursing Home Administrator's State License Examining Fund (NHA Fund) in the State Treasury to be continuously appropriated to the NHAP for expenditures to defray the expenses and to carry out and enforce the provisions of the NHA Act.

The NHAP's role is to protect the public by ensuring only qualified individuals are licensed and appropriate standards of competency are established and enforced which directly correlates with the CDPH's mission. The L&C Division promotes the highest quality of medical care in facilities. Effective licensure requirements, timely investigations and appropriate actions against NHAs who fail to ensure the health and safety of the residents entrusted to them for care is essential to meeting this commitment to protect nursing home residents.

Redirecting NHAP to CDPH offered the opportunity for coordinated oversight of facilities and the NHAs who manage those facilities. The NHA Act identifies the authority of the NHAP, defines terms, and specifies licensing requirements (applicant's examination qualifications). The NHA Act also addresses fees including but not limited to state and national examinations and provides procedures for out-of-state NHA licensees to obtain a one-year provisional license. In addition, the NHA Act requires the NHAP to develop an Administrator-In-Training (AIT) program in consultation with representatives from the long-term care industry and advocacy groups and establishes a designated citation and administrative fine assessment system. The NHA Act also requires a NHA to notify the NHAP, in writing, upon the occurrence of specific acts affecting the administration of the nursing home, and makes it a misdemeanor to engage in certain subversive activities related to the administering of the NHA licensing examination.

Statutory Authority for Fees

Pursuant to HSC§ 1416.26, 1416.36 (a), 1416.40, and 1416.70, the NHAP generates revenue from the collection of the following fees:

1. Application Fee for Reviewing an Applicant's Eligibility to Take the Examination
2. Application Fee for Persons Applying for Reciprocity Consideration Licensure
3. Application Fee for Persons Applying for the AIT Program
4. (a). Fee for an Automated National Examination
(b). Fee for an Automated State Examination or Written State Examination
5. Initial License Fee
6. (a). Active License Renewal Fee
(b). Inactive License Renewal Fee
7. Delinquency Fee
8. Duplicate License Fee
9. Provisional License Fee
10. Endorsement of Credentials to the Licensing Authority of Another State Fee
11. Preceptor Certification Fee (Triennial)
12. Biennial Fee for Approval of a Continuing Education Provider
13. Biennial Fee for Approval of a Continuing Education Course
14. Reciprocity State Examination Fee
15. Fingerprinting process Fee
16. Administrative Fines
17. Miscellaneous¹

HSC§ 1416.36 (b) and (d) specify the methods to follow for adjustment of the examination fees. HSC§ 1416.36 (b) limits the adjustment of examination fees to no more than the increase in the California Consumer Price Index, unless the revenue projected to be collected is less than the projected costs for the budget year. In that case, HSC§ 1416.36 (d) authorizes the Department to propose the fees be adjusted by not more than twice the increase in the Consumer Price Index.

SIGNIFICANT IMPACT TO PROGRAM FOR FY 09/10

Since 1998, NHAP fees have remained constant (See **Exhibit A1** and **Exhibit A2** "Workload Units and Revenue Statistics"). Beginning in FY 03/04, NHAP costs have exceeded revenues (See **Exhibit B**). In FY 06/07, the Program's operating expenses increased to \$507,000 while the revenues remained constant, thus significantly reducing the Program's contingency reserve. In FY 07/08, the Governor's Budget included an additional 2.5 NHAP positions and increased budget authority to enable the NHAP to accomplish the mandated workload. Program's operating expenses continued to increase to \$579,000 while the revenues decreased to \$334,000, thus reducing the contingency reserve significantly.

¹Miscellaneous fees include but not limited to providing various lists such as certified preceptors and continuing education providers and courses, furnishing preceptor training materials to NHAs seeking preceptor certification and state examination rescors.

Due to NHAP's expenditures consistently exceeding its revenue, the Program's contingency reserve has been adversely affected. Therefore, an analysis of the duties and responsibilities of NHAP staff was conducted that revealed some functions were more general in nature and consistent with L&C activities and these costs would be more appropriately charged to the L&C Special Fund. As a result, beginning in FY 08/09, NHAP's appropriation was reduced in order to rebuild the Program's contingency reserve while continuing operations without Program impact.

The proposed FY 09/10 fees and revenues are displayed in the following:

- **Exhibit C – PROPOSED NHAP FEES AND REVENUE FOR FY 09/10:** displays each fee category, the statute authorizing that category, date of last fee increase, California Consumer Price Index percentage, current fees, fee increase (2.9%), proposed fees, the projected workload reflecting the increase, and the proposed revenue to be generated as a result of the increase in FY 09-10 fees.

From February 2002 to December 2008, the California Consumer Price Index has increased 19.4 percent (Division of Labor Statistics). During this period, the NHAP fees have been idle while ongoing program expenses increased. If the NHAP is unable to increase fees going forward, the depleting resources could hinder the NHAP from ensuring and/or enforcing qualified nursing home administrators meet the required standards of participation. Fee increases of six dollars for such items as initial or renewal of biennial licenses would be a nominal financial sacrifice for NHAs who earn the national average of \$89,000 annually.

RECOMMENDATION

CDPH recommends approval of the 2009 NHAP Annual Fee Report identifying fee increases beginning FY 09/10 as authorized by HSC§ 1416.36 (b). The requested increase of 2.9 percent would be in line with the 2008 California Consumer Price Index.

**Nursing Home Administrator Program
Workload Units and Revenue Statistics
FY 03/04 through FY 05/06**

Fee Categories	Actual			Actual			Actual		
	Fees FY 03/04	Units FY 03/04	Revenue FY 03/04	Fees FY 04/05	Units FY 04/05	Revenue FY 04/05	Fees FY 05/06	Units FY 05/06	Revenue FY 05/06
(1) Application Fee for Reviewing An Applicant's Eligibility to Take Examination	\$25	462	\$11,550	\$25	526	\$13,150	\$25	540	\$13,500
(2) Application Fee for Persons Applying for Reciprocity Consideration Licensure	\$50	35	\$1,750	\$50	35	\$1,750	\$50	63	\$3,150
(3) Application Fee for Persons Applying for the AIT Program	\$100	127	\$12,700	\$100	134	\$13,400	\$100	140	\$14,000
(4a) Fee for an Automated National Examination	\$275	0	\$0	\$275	0	\$0	\$275	0	\$0
(4b) Fee for an Automated State Examination or Written State Examination ²	\$210	0	\$0	\$210	0	\$0	\$210	0	\$0
(5) Fee for an Initial License	\$140	220	\$30,800	\$140	236	\$33,040	\$140	243	\$34,020
(6a) Renewal Fee for Active License or	\$190	114	\$21,660	\$190	139	\$26,410	\$190	159	\$30,210
(6b) Inactive License (Biennial)	\$190	924	\$175,560	\$190	959	\$182,210	\$190	852	\$161,880
(7) Delinquency Fee	\$190	153	\$29,070	\$190	277	\$52,630	\$190	237	\$45,030
(8) Duplicate License Fee	\$50	164	\$8,200	\$50	127	\$6,350	\$50	148	\$7,400
(9) Fee for a Provisional License	\$25	26	\$650	\$25	17	\$425	\$25	18	\$450
(10) Fee for Endorsement of Credentials to the Licensing Authority of Another State	\$250	14	\$3,500	\$250	20	\$5,000	\$250	12	\$3,000
(11) Fee for Endorsement of Credentials to the Licensing Authority of Another State	\$25	24	\$600	\$25	45	\$1,125	\$25	56	\$1,400
(12) Preceptor Certification Fee (Triennial)	\$50	221	\$11,050	\$50	159	\$7,950	\$50	132	\$6,600
(13) Biennial Fee for Approval of a Continuing Education Provider	\$150	70	\$10,500	\$150	101	\$15,150	\$150	51	\$7,650
(14) Biennial Fee for Approval of a Continuing Education Course	\$15	944	\$14,160	\$15	774	\$11,610	\$15	802	\$12,030
(15) Fee for Reciprocity State Examination ³									
(16) Fee for Fingerprinting process	\$56	147	\$8,232	\$56	167	\$9,352	\$56	158	\$8,848
(17) Administrative Fines	Varied		0	Varied		\$13,000	Varied		\$8,607
(17) Miscellaneous	Varied		\$21,018	Varied		\$1,448	Varied		\$225
TOTAL REVENUE COLLECTIONS			\$361,000			\$394,000			\$358,000

² Fees Included for Reciprocity State Examination.

³ Fee for Reciprocity State Examination intentionally left blank for FY 03/04-05/06. The fee was included in Written State Examination fee category.

**Nursing Home Administrator Program
Workload Units and Revenue Statistics
FY 06/07 through FY 08/09**

Fee Categories	Actual			Actual			Projected		
	Fees FY 06/07	Units FY 06/07	Revenue FY 06/07	Fees FY 07/08	Units FY 07/08	Revenue FY 07/08	Fees FY 08/09	Units FY 08/09	Revenue FY 08/09
(1) Application Fee for Reviewing an Applicant's Eligibility to Take the Examination	\$25	510	\$12,750	\$25	451	\$11,275	\$25	532	\$13,300
(2) Application Fee for Persons Applying for Reciprocity Consideration Licensure	\$50	78	\$3,900	\$50	39	\$1,950	\$50	24	\$1,200
(3) Application Fee for Persons Applying for the AIT Program	\$100	124	\$12,400	\$100	143	\$14,300	\$100	116	\$11,600
(4a) Fee for an Automated National Examination	\$275	0	\$0	\$275	0	\$0	\$275	0	\$0
(4b) Fee for an Automated State Examination or Written State Examination	\$210	0	\$0	\$210	0	\$0	\$210	0	\$0
(5) Fee for an Initial License	\$140	254	\$35,560	\$140	181	\$25,340	\$140	232	\$32,480
(6a) Renewal Fee for Active License or	\$190	154	\$29,260	\$190	210	\$39,900	\$190	156	\$29,640
(6b) Inactive License (Biennial)	\$190	921	\$174,990	\$190	815	\$154,850	\$190	1020	\$193,800
(7) Delinquency Fee	\$190	276	\$52,440	\$190	140	\$26,600	\$190	280	\$53,200
(8) Duplicate License Fee	\$50	98	\$4,900	\$50	120	\$6,000	\$50	164	\$8,200
(9) Fee for a Provisional License	\$25	20	\$500	\$25	11	\$275	\$25	20	\$500
(10) Fee for Endorsement of Credentials to the Licensing Authority of Another State	\$250	11	\$2,750	\$250	13	\$3,250	\$250	4	\$1,000
(11) Preceptor Certification Fee (Triennial)	\$25	40	\$1,000	\$25	31	\$775	\$25	36	\$900
(12) Biennial Fee for Approval of a Continuing Education Provider	\$50	264	\$13,200	\$50	194	\$9,700	\$50	184	\$9,200
(13) Biennial Fee for Approval of a Continuing Education Course	\$150	78	\$11,700	\$150	59	\$8,850	\$150	20	\$3,000
(14) Fee for Reciprocity State Examination	\$15	850	\$12,750	\$15	739	\$11,085	\$15	672	\$10,080
(15) Fee for Fingerprinting process	\$140	30	\$4,200	\$140	23	\$3,220	\$140	24	\$3,360
(16) Administrative Fines	\$56	163	\$9,128	\$56	170	\$9,520	\$51	140	\$7,140
(17) Miscellaneous	Varied		\$10,000	Varied		\$7,000	Varied		\$7,450
	Varied		\$572	Varied		\$483	Varied		\$750
TOTAL REVENUE COLLECTIONS			\$392,000			\$334,373			\$386,800

Exhibit B

**FY 01/02 through FY 09/10
(Dollars in Thousands)
Summary of Revenues and Expenditures for the
Nursing Home Administrator's State License Examining Fund**

FISCAL YEARS		REVENUES	EXPENDITURES	EXCESS/DEFICIT
	2001/02	\$390	\$307	\$83
	2002/03	\$372	\$328	\$44
	2003/04	\$361	\$428	(\$67)
	2004/05	\$394	\$479	(\$85)
	2005/06	\$358	\$375	(\$17)
	2006/07	\$392	\$507	(\$115)
2007/08	\$334	\$579	(\$245)	

PROJECTED				
FISCAL YEARS		REVENUES	EXPENDITURES	EXCESS/DEFICIT
	2008/09	\$387	\$285 ⁵	\$102
	2009/10	\$411 ⁴	\$354 ⁵	\$57

⁴ Projected revenue includes requested fee increase.

⁵ Nursing Home Administrator's State License Examining Fund expenditures excluding L&C expenditure activity

Exhibit C - PROPOSED NHAP FEES AND REVENUE FOR FY 09/10

Fee Categories	Statutory Authority	Last Date Fee Increased	California Consumer Price Index ⁶	Current Fees	Fee Increase (2.9%)	Proposed Fee	Projected	Projected
							Workload Units	Revenue from Proposed Fee
Application Fee for Reviewing an Applicant's Eligibility to Take the Examination	HSC 1416.36	1-Jul-99	2.9%	\$25	\$1	\$26	547	\$14,222
Application Fee for Persons Applying for Reciprocity Consideration Licensure	HSC 1416.36	1-Jul-99	2.9%	\$50	\$2	\$52	25	\$1,300
Application Fee for Persons Applying for the AIT Program	HSC 1416.36	1-Jul-89	2.9%	\$100	\$3	\$103	120	\$12,360
Fee for an Automated National Examination	HSC 1416.36	1-Jan-02	2.9%	\$275	\$8	\$283	0	\$0
Fee for an Automated State Examination	HSC 1416.36	1-Jan-02	2.9%	\$210	\$6	\$216	0	\$0
Fee for the Written State Examination	HSC 1416.36	27-Jan-97	2.9%	\$140	\$4	\$144	239	\$34,416
Fee for an Initial License	HSC 1416.36	1-Jul-89	2.9%	\$190	\$6	\$196	161	\$31,556
Renewal Fee For Active License (Biennial)	HSC 1416.36	1-Jul-89	2.9%	\$190	\$6	\$196	1,051	\$205,996
Renewal Fee For an Inactive License (Biennial)	HSC 1416.36	1-Jul-89	2.9%	\$190	\$6	\$196	288	\$56,448
Delinquent Fee	HSC 1416.36	1-Jan-02	2.9%	\$50	\$2	\$52	169	\$8,788
Duplicate License Fee	HSC 1416.36	1-Jul-99	2.9%	\$25	\$1	\$26	21	\$546
Fee for a Provisional License	HSC 1416.36	1-Jan-02	2.9%	\$250	\$7	\$257	4	\$1,028
Fee for Endorsement of Credentials to the Licensing Authority of Another State	HSC 1416.36	1-Jul-99	2.9%	\$25	\$1	\$26	37	\$962

Fee Category	Statutory Authority	Last Date Fee Increased	California Consumer Price Index ⁷	Current Fees	Fee Increase (2.9%)	Proposed Fee	Projected	Projected
							Workload Units	Revenue from Proposed Fee
Preceptor Certification Fee (Triennial)	HSC 1416.36	1-Jan-02	2.9%	\$50	\$2	\$52	190	\$9,880
Biennial Fee for Approval of a Continuing Education Provider	HSC 1416.36	1-Jul-89	2.9%	\$150	\$4	\$154	21	\$3,234
Biennial Fee for Approval of a Continuing Education Course	HSC 1416.36	1-Jul-89	2.9%	\$15	\$1	\$16	692	\$11,072
Reciprocity State Examination fee	HSC 1416.40	1-Jan-02	2.9%	\$140	\$4	\$144	24	\$3,456
Fingerprinting process Fee	HSC 1416.26 (b)	1-Jan-02		N/A	\$51	\$0	\$51	144
Administrative Fines	HSC 1416.70 (b) (3) (A)	1-Jan-02	2.9%	Varied	\$0	Varied		\$7,400
Miscellaneous	HSC 1416.10 (g)	1-Jan-02	2.9%	Varied	\$0	Varied		\$800
PROJECTED GRAND TOTAL FEE REVENUE								\$410,808

⁶ Information regarding California Consumer Price Index was obtained from the Department of Finance.

⁷ Information regarding California Consumer Price Index was obtained from the Department of Finance