



CALIFORNIA DEPARTMENT OF PUBLIC HEALTH



**Nursing Home Administrator Program
Annual Fee Report
Fiscal Year 2011/12**

April 2011

**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 the 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; and,
- Implementing written administrative, management, personnel, and resident 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 a 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 NHAP in Fiscal Year (FY) 2011/12. This report consists of exhibits that will illustrate NHAP fees and revenues for FY 2011-12 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 ensures 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 requires the State to have a program for licensing administrators of nursing homes.

On July 1, 1998, through an interagency agreement, CDCA delegated the legislative and regulatory authority for NHAP management, evaluation and planning to CDPH, Licensing and Certification (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 NHAP to 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 NHAP for expenditures to defray the expenses and to carry out and enforce the provisions of the NHA Act.

NHAP's role is to protect the public by ensuring only qualified individuals are licensed and appropriate standards of competency are established and enforced that directly correlate with CDPH's mission. L&C 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 are essential to meeting this commitment to protect nursing home residents.

Redirecting NHAP to CDPH offers the opportunity to coordinate oversight of facilities and NHAs who manage those facilities. The NHA Act identifies the authority of NHAP, defines terms, and specifies licensing requirements (applicant's examination qualifications). The NHA Act also addresses fees, including for 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 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 NHAP, in writing, upon the occurrence of specific acts affecting the administration of the nursing home. Finally, the NHA Act makes it a misdemeanor to engage in certain subversive activities relating 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, 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 Out of State Reciprocity
3. Application Fee for Persons Applying for the AIT Program
4. Written State Examination Fee
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 adjusting 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 2011/12

Since 1998, NHAP fees have remained constant (See **Exhibit A1** and **Exhibit A2** "WORKLOAD UNITS AND REVENUE STATISTICS"). Beginning in FY 2003/04 through 2007/08, NHAP costs have exceeded revenues (See **Exhibit B**). In FY 2007/08, the Governor's Budget included an additional 2.5 NHAP positions and increased budget authority to enable the NHAP to accomplish the mandated workload. However, the Program's operating expenses increased to \$579,000 while the revenues collected was \$334,373, thus reducing the Program's contingency reserve.

CDPH analyzed NHAP staff duties and responsibilities and concluded that some more general functions were consistent with L&C activities and were more appropriately

¹Miscellaneous fees include 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 rescoring.

charged to the L&C Special Fund. As a result, beginning in FY 2008/09, NHAP's appropriation was reduced in order to rebuild the program's contingency reserve without program impact.

Exhibit C displays projected FY 2011/12 fees and revenues, including each fee category, the statute authorizing that category, date of last fee increase, current fees, and the proposed revenue to be generated in FY 2011/12.

RECOMMENDATION

Pursuant to HSC§1416.36(d), 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 California Consumer Price Index. However, with the reduced appropriation, revenues have exceeded actual and projected costs during FY 2008/09 through FY 2011/12. Therefore, CDPH proposes no fee increases. Implementation will have no fiscal impact on the State General Fund.

**Nursing Home Administrator Program
Workload Units and Revenue² Statistics
FY 2005/06 through FY 2007/08**

Fee Categories	Actual			Actual			Actual		
	Fees FY 05/06	Units FY 05/06	Revenue FY 05/06	Fees FY 06/07	Units FY 06/07	Revenue FY 06/07	Fees FY 07/08	Units FY 07/08	Revenue FY 07/08
(1) Reviewing an Applicant's Eligibility to Take the Examination Application Fee	\$25	540	\$13,500	\$25	510	\$12,750	\$25	451	\$11,275
(2) Persons Applying for Reciprocity Consideration Licensure Application Fee	50	63	3,150	50	78	3,900	50	39	1,950
(3) Persons Applying for the AIT Program Application Fee	100	140	14,000	100	124	12,400	100	143	14,300
(4) Written State Examination Fee	140	221	30,940	140	254	35,560	140	181	25,340
(5) Initial License Fee	190	159	30,210	190	154	29,260	190	210	39,900
(6a) Active License Renewal Fee	190	852	161,880	190	921	174,990	190	815	154,850
(6b) Inactive License (Biennial) Fee	190	237	45,030	190	276	52,440	190	140	26,600
(7) Delinquency Fee	50	148	7,400	50	98	4,900	50	120	6,000
(8) Duplicate License Fee	25	18	450	25	20	500	25	11	275
(9) Provisional License Fee	250	12	3,000	250	11	2,750	250	13	3,250
(10) Endorsement of Credentials to the Licensing Authority of Another State Fee	25	56	1,400	25	40	1,000	25	31	775
(11) Preceptor Certification Fee (Triennial)	50	132	6,600	50	264	13,200	50	194	9,700
(12) Approval of a Continuing Education Provider Biennial Fee	150	51	7,650	150	78	11,700	150	59	8,850
(13) Approval of a Continuing Education Course Biennial Fee	15	802	12,030	15	850	12,750	15	739	11,085
(14) Reciprocity State Examination Fee	140	22	3,080	140	30	4,200	140	23	3,220
(15) Fingerprinting process Fee	56	158	8,848	56	163	9,128	56	170	9,520
(16) Administrative Fines	Varied		8,607	Varied		10,000	Varied		7,000
(17) Miscellaneous	Varied		225	Varied		572	Varied		483
TOTAL REVENUE			\$358,000			\$392,000			\$334,373

Source: California Department of Public Health

² Income excluded from surplus money investments.

Exhibit A2

**Nursing Home Administrator Program
Workload Units and Revenue² Statistics
FY 2008/09 through FY 2010/11**

Fee Categories	Actual			Actual			Projected		
	Fees FY 08/09	Units FY 08/09	Revenue FY 08/09	Fees FY 09/10	Units FY 09/10	Revenue FY 09/10	Fees FY 10/11	Units FY 10/11	Revenue FY 10/11
(1) Reviewing an Applicant's Eligibility to Take the Examination Application Fee	\$25	532	\$13,300	\$25	514	\$12,850	\$25	500	\$12,500
(2) Persons Applying for Reciprocity Consideration Licensure Application Fee	50	24	1,200	50	34	1,700	50	30	1,500
(3) Persons Applying for the AIT Program Application Fee	100	116	11,600	100	151	15,100	100	125	12,500
(4) Written State Examination Fee	140	232	32,480	140	194	27,160	140	210	29,400
(5) Initial License Fee	190	156	29,640	190	152	28,880	190	175	33,250
(6a) Active License Renewal Fee	190	1020	193,800	190	847	160,930	190	900	171,000
(6b) Inactive License (Biennial) Fee	190	280	53,200	190	185	35,150	190	250	47,500
(7) Delinquency Fee	50	164	8,200	50	137	6,850	50	130	6,500
(8) Duplicate License Fee	25	20	500	25	16	400	25	20	500
(9) Provisional License Fee	250	5	1,250	250	11	2,750	250	10	2,500
(10) Endorsement of Credentials to the Licensing Authority of Another State Fee	25	36	900	25	47	1,175	25	45	1,125
(11) Preceptor Certification Fee (Triennial)	50	184	9,200	50	213	10,650	50	180	9,000
(12) Approval of a Continuing Education Provider Biennial Fee	150	20	3,000	150	62	9,300	150	25	3,750
(13) Approval of a Continuing Education Course Biennial Fee	15	672	10,080	15	852	12,780	15	719	10,785
(14) Reciprocity State Examination Fee	140	24	3,360	140	34	4,760	140	30	4,200
(15) Fingerprinting process Fee	51	140	7,140	51	147	7,497	51	190	9,690
(16) Administrative Fines	Varied		11,250	Varied		12,000	Varied		14,000
(17) Miscellaneous	Varied		12,348	Varied		15,100	Varied		17,300
TOTAL REVENUE			\$402,448			\$365,032			\$387,000

Source: California Department of Public Health

² Income excluded from surplus money investments.

Exhibit B

**FY 03/04 through FY 2011/12
(Dollars in Thousands)
Summary of Revenue² and Expenditure for the
Nursing Home Administrator's State License Examining Fund**

FISCAL YEARS	REVENUE	EXPENDITURES
2003/04	\$361	\$428
2004/05	\$394	\$479
2005/06	\$358	\$375
2006/07	\$392	\$507
2007/08	\$334	\$399
2008/09	\$402	\$180 ³
2009/10	\$365	\$203 ³

PROJECTED		
FISCAL YEARS	REVENUE	EXPENDITURES
2010/11	\$387	\$180 ³
2011/12	\$387	\$366

Source: California Department of Public Health

² Income excluded from surplus money investments.

³ Nursing Home Administrator's State License Examining Fund expenditures excluding Licensing & Certification expenditure activity

Exhibit C – NURSING HOME ADMINISTRATOR PROGRAM FEES AND REVENUE FOR FY 11/12

Fee Categories	Statutory Authority	Last Date Fee Increased	California Consumer Price Index ⁴	Current Fees	Fee Increase	Proposed Current Fee	Projected	Projected
							Workload Units	Revenue from Fee
Application Fee for Reviewing an Applicant's Eligibility to Take the Examination	HSC 1416.36	1-Jul-99	1.5%	\$25	\$0	\$25	500	\$12,500
Application Fee for Persons Applying for Reciprocity Consideration Licensure	HSC 1416.36	1-Jul-99	1.5%	50	0	50	25	1,250
Application Fee for Persons Applying for the AIT Program	HSC 1416.36	1-Jul-89	1.5%	100	0	100	125	12,500
Fee for the Written State Examination	HSC 1416.36	27-Jan-97	1.5%	140	0	140	210	29,400
Fee for an Initial License	HSC 1416.36	1-Jul-89	1.5%	190	0	190	175	33,250
Renewal Fee For Active License (Biennial)	HSC 1416.36	1-Jul-89	1.5%	190	0	190	980	186,200
Renewal Fee For an Inactive License (Biennial)	HSC 1416.36	1-Jul-89	1.5%	190	0	190	250	47,500
Delinquent Fee	HSC 1416.36	1-Jan-02	1.5%	50	0	50	130	6,500
Duplicate License Fee	HSC 1416.36	1-Jul-99	1.5%	25	0	25	23	575
Fee for a Provisional License	HSC 1416.36	1-Jan-02	1.5%	250	0	250	10	2,500
Fee for Endorsement of Credentials to the Licensing Authority of Another State	HSC 1416.36	1-Jul-99	1.5%	25	0	25	45	1,125

Source: California Department of Public Health

⁴ California Consumer Price Index referenced as of March 2011 from California Department of Finance

Exhibit C – NURSING HOME ADMINISTRATOR PROGRAM FEES AND REVENUE FOR FY 11/12, continued

Fee Category	Statutory Authority	Last Date Fee Increased	California Consumer Price Index ⁴	Current Fees	Fee Increase	Current Fee	Projected	Projected
							Workload Units	Revenue from Proposed Fee
Preceptor Certification Fee (Triennial)	HSC 1416.36	1-Jan-02	1.5%	50	0	50	160	8,000
Biennial Fee for Approval of a Continuing Education Provider	HSC 1416.36	1-Jul-89	1.5%	150	0	150	25	3,750
Biennial Fee for Approval of a Continuing Education Course	HSC 1416.36	1-Jul-89	1.5%	15	0	15	720	10,800
Reciprocity State Examination fee	HSC 1416.40	1-Jan-02	1.5%	140	0	140	25	3,500
Fingerprinting process Fee	HSC 1416.26 (b)	1-Jan-02	N/A	51	0	51	150	7,650
Administrative Fines	HSC 1416.70 (b) (3) (A)	1-Jan-02	1.5%	Varied	0	Varied		12,000
Miscellaneous	HSC 1416.10 (g)	1-Jan-02	1.5%	Varied	0	Varied		8,000
PROJECTED TOTAL FEE REVENUE								\$387,000

Source: California Department of Public Health

⁴ California Consumer Price Index referenced as of March 2011 from California Department of Finance