

The mission of the Board of Nursing is to assure the citizens of Kansas safe and competent practice by nurses and mental health technicians

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To: House Commerce, Labor and Economic Development Committee
Representative Sean Tarwater, Chair

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Subject: HB 2388

Position: **Neutral (Verbal)**

The Kansas State Board of Nursing (KSBN) provides this verbal neutral testimony for HB 2388. The mission of the Board of Nursing is to assure the citizens of Kansas safe and competent practice by nurses and mental health technicians. KSBN regulates mental health technicians, licensed practical nurses, registered nurses, and advanced practice registered nurses. KSBN has approx. 70,000 licensees. HB 2388 includes language that requires licensing bodies to provide verified electronic credentials in addition to paper-based credentials. This bill also requires licensing bodies to use centralized electronic credential data management that can provide instantaneous credential verification, mandating that such systems maintain an auditable record.

National Council of State Boards of Nursing (NCSBN) is an independent, not-for-profit organization through which nursing regulatory bodies act and counsel together on matters of common interest and concern affecting public health, safety, and welfare, including the development of nursing licensure examinations known as the NCLEX. NCSBN is composed of all 50 state boards of nursing, the District of Columbia, and four U.S. territories, and works closely with other nursing organizations, healthcare providers, and government agencies to promote the safe and competent practice of nursing. NCSBN is recognized as a leader in the regulation of nursing practice and its work is an important factor in ensuring public protection and promoting the health and well-being of patients.

Central electronic verification system

The Coordinated Licensure Information System (CLIS), otherwise known as Nursys®, is a License Verification database and verification system for the 5+ million licensed nurses in the United States. It provides a centralized repository of nurse licensure and discipline information from participating state boards of nursing and allows licensed nurses to verify their licensure status quickly and easily 24 hours a day, 7 days a week and provides state-to-state licensure verifications. Nursys® provides an online platform where licensed nurses can receive automated notifications of license renewals and updates. The system is a joint effort of NCSBN and its member boards and helps to ensure public protection by providing accurate and up-to-date information about licensed nurses. Nursys® is the only national

database for verification of nurse licensure, discipline, and practice privileges for RNs and LPN/VNs licensed in participating boards of nursing, including all states in the Nurse Licensure Compact (NLC). Nursys.com provides online verification for endorsement to a nurse requesting to practice in another state and anyone who wants to verify a nurse license.

The Nurse Licensure Compact (NLC) is an agreement among participating states in the United States that allows licensed registered nurses (RNs) and licensed practical nurses (LPNs) to have one multistate license, with the ability to practice in their home state and other NLC states. The NLC is also known as the "Interstate Nurse Licensure Compact." The license is issued by their primary state of residence and allows the nurse to practice in other compact states without having to secure an additional license. Currently there are 39 states that are members of the NLC. Kansas has been a member state since 2019 and has 14,605 RNs and 1,776 LPNs with multistate licenses.

The purpose of the NLC is to provide greater mobility and access to care for patients, while maintaining public protection through consistent standards for nursing practice and regulation. The NLC provides a framework for cooperation and coordination among state boards of nursing and helps to streamline the process for nurses who wish to practice in multiple states.

The Compact “**requires**” state nursing boards to participate in the Nursys® License Verification database and is a requirement of the NLC membership agreement. This allows states to securely share information for verification of nurse licensure, discipline, and practice privileges.

Paper Licenses and Verifications:

Paper licenses are susceptible to several fraud risks that can compromise public protection. Some of the most significant fraud risks associated with paper licenses include:

1. Counterfeiting: Paper licenses can be easily counterfeited or altered, making it difficult for licensing authorities and employers to verify the validity of a license. This can result in unlicensed or disqualified individuals being able to practice as licensed professionals.
2. Tampering: Paper licenses can also be easily tampered with or altered to change information such as name, address, or qualifications, making it difficult for licensing authorities to track the history and credentials of licensed professionals.
3. Lost or Stolen: Paper licenses can be easily lost or stolen, making it difficult for licensing authorities and employers to verify the identity of individuals claiming to be licensed professionals.
4. Inaccurate Information: Paper licenses can be easily altered to include false or inaccurate information, making it difficult for licensing authorities and employers to verify the qualifications and competencies of licensed professionals.

To mitigate the fraud risks associated with paper licenses, licensing authorities are increasingly moving to electronic licensure systems that use secure, tamper-evident licenses that can be easily verified and tracked. These systems can help to ensure the authenticity and accuracy of licenses and can provide additional safeguards against fraud, such as real-time updates, secure authentication mechanisms, and alerts for suspicious activity. KSBN stopped issuing printed license cards July 1, 2010. That had an estimated savings of \$16,000 per year at the time. The licensee may continue to print a licensure card

for free, with basic licensure information such as name, state, profession, and type. However, it includes information how to verify the authenticity of the license and expiration date for free, 24x7, via the KSBN electronic verification system. KSBN continues to send via USPS mail a printed wall certificate suitable for framing to all new grads to highlight their accomplishment that notes their name and profession.

Fiscal and Risk Considerations of a Centralized Licensing System:

The average cost of an occupational licensing computer system can vary widely depending on the size and complexity of the system, as well as the features and functions it provides. Some of the factors that can affect the cost of an occupational licensing computer system include the number of licenses being managed, the number of users, and the level of integration with other systems. These integrations and factors are not only other state agencies, but also with other federal systems such as the National Practitioner Data Bank, professional associations such as NCSBN and other third-party systems such as CE Broker, just to name a few. The need for custom development could be substantial.

On average, the cost of an occupational licensing computer system can range from tens of thousands of dollars for a very basic system to tens of millions of dollars for a more complex and comprehensive systems. A large board of nursing might need to invest more than \$500,000 to \$2m, or more, for a system that can handle a large volume of applications, renewals, workflow, document imaging and other transactions. Consideration would also need to be given for web services system-to-system communications as well as conversion of data from the old system to the new. Other costs, such as staffing, support, and maintenance, can also be significant, and must be considered when evaluating the total cost of an occupational licensing system.

Consolidating occupation licensing computer systems can have some benefits, such as improved data sharing amongst state agencies. However, there are also substantial risks associated with consolidation that must be considered and addressed. It would be important to carefully consider the costs and weight the substantial operational and cybersecurity risks of placing all state occupational regulatory licensee information into one single repository

Some of the risks associated with consolidating occupational licensing computer systems include:

1. **Data security and privacy:** When multiple licensing systems are consolidated into one repository, there is a risk that sensitive information, such as personal and financial data, could be compromised. Having “all your eggs in one basket” has its defined risks. Should a single system be compromised, that single board operation may be potentially impacted. If a centralized system is impacted, “all” occupational licensing information would be compromised, not just the single instance. The expense for identity theft coverage and potential offline operations would be felt by all occupational licensees.
2. **Technical issues:** Consolidating multiple systems into one can be a complex and technical process that can result in technical issues, such as system downtime, errors, and bugs. Without dedicating substantial resources and staff and having a solid plan in place prior to such an endeavor, it could have adverse effects on the licensing and investigative processes.
3. **Implementation and adoption:** Consolidating multiple systems into one can be a time-consuming and resource-intensive process that requires careful planning, preparation, and execution. There is also a risk that stakeholders, such as licensees, licensing boards, and other government agencies, may resist the transition to a new system if disagreements or system issues occur.

4. Cost: There would be significant upfront costs associated with the consolidation process, including the cost of the new system, staff training, and any necessary updates or changes to existing systems, including data conversion.
5. Loss of customization and functionality: When multiple systems are consolidated into one, there is a risk that some of the unique features and functions of each system may be lost, which could have negative impacts on operations as well as acceptance by the licensees, employers, staff, and the public.

KSBN supports the need for a licensing body to have an electronic, secure licensure verification system that is available 24/7 for licensees, employers, and the public to verify licensure. KSBN supports that licensure bodies shall utilize an electronic record system to issue, revoke, suspend and maintain oversight of electronic credentials. KSBN does not support that there should be one central electronic record system for all licensing bodies in the state to use and the requirement for the issuance of paper licenses. KSBN remains neutral on this bill and requests there be further discussion and clarification regarding if a regulatory body may continue to utilize a national verification database for the different disciplines they regulate, instead of a central state verification database and possible change of the requirement of a paper-based licensure card. The paper licensure card could be optional and at the discretion of the regulatory body if there is an effective electronic licensure verification system in place that meets the needs of the licensees, employers, public, and the regulatory body.

Thank you for your time. I will stand for questions at the appropriate time.