



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

**BOARD OF NURSING AND
INTERSTATE NURSE LICENSURE COMPACT**

Performance Audit Report

September 2017

Justin P. Wilson, Comptroller



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September 14, 2017

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The Honorable Beth Harwell
Speaker of the House of Representatives
The Honorable Mike Bell, Chair
Senate Committee on Government
Operations
The Honorable Jeremy Faison, Chair
House Committee on Government
Operations
and
Members of the General Assembly
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Ladies and Gentlemen:

Transmitted herewith is the performance audit of the Board of Nursing and the Interstate Nurse Licensure Compact. This audit was conducted pursuant to the requirements of the Tennessee Governmental Entity Review Law, Section 4-29-111, *Tennessee Code Annotated*.

This report is intended to aid the Joint Government Operations Committee in its review to determine whether the Board of Nursing and the Interstate Nurse Licensure Compact should be continued, restructured, or terminated.

Sincerely,

Deborah V. Loveless, CPA
Director

17262

State of Tennessee

Audit Highlights

Comptroller of the Treasury

Division of State Audit

Performance Audit
Board of Nursing
and
Interstate Nurse Licensure Compact
September 2017

FINDINGS

Board of Nursing

Department of Health management cannot effectively monitor licensees and board operations because of inherent limitations of the Licensure and Regulatory System

In 2015, the Department of Health implemented a computer system called the Licensure and Regulatory System (LARS) to store the licensure information for all of the state's health professions. We evaluated LARS and found that it had two flaws. First, information was unintentionally removed from users' screens when changes were made to parts of the system, causing staff confusion about data fields within the system. Second, the system had limited reporting capabilities, which lessened management's ability to monitor the department's performance (page 4).

The Department of Health's Office of Investigations should ensure all investigations are completed in a timely manner and improve its monitoring of disciplined practitioners

The Department of Health's Office of Investigations (the office) reviews and investigates complaints that are brought against licensed and unlicensed practitioners. We reviewed how the department processes and conducts nurse investigations and how it monitors disciplined practitioners. We found that some investigations were not completed on time. In addition, the Licensure and Regulatory System had not been updated to assign new priority levels to investigations. Finally, we found that while the department hired additional office staff to monitor licensees subject to disciplinary actions, this monitoring remained manual (page 6).

Board of Nursing management does not know true application processing time because the Licensure and Regulatory System does not record the date paper applications were received

The Division of Health Related Boards' administrative staff is responsible for processing licensure and certification applications. This includes entering key information about the applicant and application into the Licensure and Regulatory System. We determined that LARS does not capture the date that paper based applications are received by the board. Rather, LARS only captures the date the staff began processing the application. In our sample, we determined that there can be a significant time difference between when paper applications are received by the board and when they are entered into LARS by technicians. As a result, the department needs to be able to systematically monitor actual processing times. Without the information about receipt date for paper based applications in LARS or some other mechanism, department management does not have a full view of the process (page 11).

The Board of Nursing should consider using the National Practitioner Data Bank when conducting background checks on potential licensees

The December 2009 performance audit of the Health Related Boards recommended that the state's health boards consider using the National Practitioner Data Bank to obtain information on applicants' licensing and disciplinary history in other states. In lieu of querying the National Practitioner Data Bank when reviewing applicants' backgrounds, the Board of Nursing queries the National Council of State Boards of Nursing's database, called Nursys. While Nursys provides potentially helpful information, it does not contain information about all nursing professions. As a result, Nursys may give an incomplete history of an applicant in other states (page 12).

Interstate Nurse Licensure Compact

The enhanced nursing compact is expected to become effective in January 2018, necessitating its addition to the Tennessee Governmental Entity Review Law

The National Council of State Boards of Nursing created the Interstate Nurse License Compact (the compact currently in place) in 2000 to allow registered nurses and licensed practical nurses to practice in all signatory states using one multistate license. In May 2015, the National Council of State Boards developed a new, enhanced compact, the Nurse Licensure Compact, which is intended to replace the original compact. The enhanced compact's commission is expected to convene in August 2017 to set an effective date of approximately January 28, 2018. Upon its implementation, *Tennessee Code Annotated* provides that the enhanced compact automatically goes into effect and the current compact terminates. However, the new, enhanced compact does not have a scheduled termination date in the Tennessee Governmental Entity Review Law (page 15).

**Performance Audit
Board of Nursing
and
Interstate Nurse Licensure Compact**

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Performance Audit Board of Nursing and Interstate Nurse Licensure Compact

INTRODUCTION

PURPOSE AND AUTHORITY FOR THE AUDIT

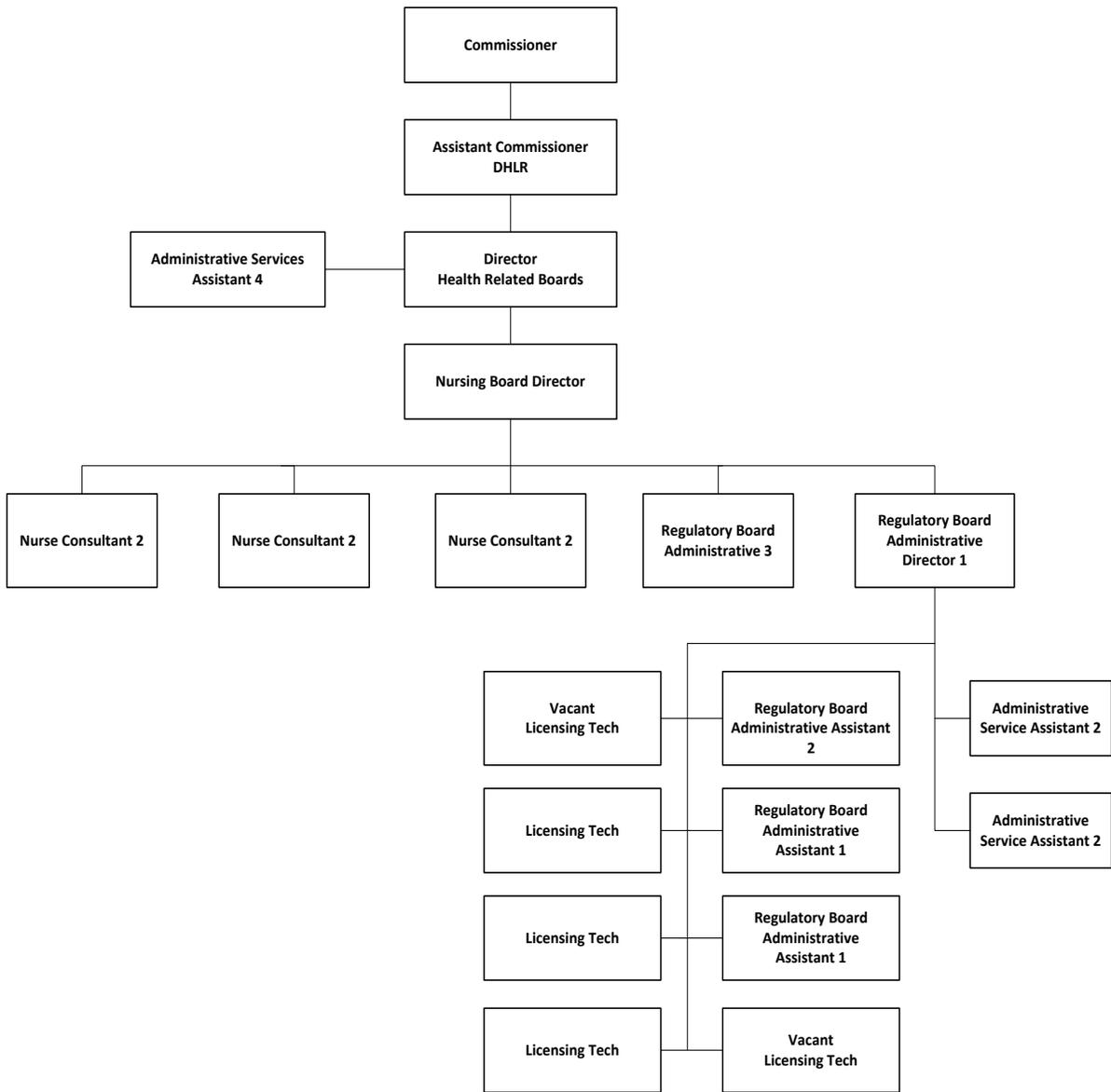
This performance audit of the Board of Nursing and the Interstate Nurse Licensure Compact was conducted pursuant to the Tennessee Governmental Entity Review Law, Title 4, Chapter 29, *Tennessee Code Annotated*. Under Section 4-29-239 (a)(2), the Board of Nursing is scheduled to terminate June 30, 2018. Under Section 4-29-239(a)(27), the Interstate Nurse Licensure Compact is scheduled to terminate on June 30, 2018. However, in January 2018, the Interstate Nurse Licensure Compact is expected to be repealed and replaced by the Enhanced Nurse Licensure Compact, pursuant to Title 63, Chapter 7, Parts 3 and 4, *Tennessee Code Annotated*. The new compact does not yet have a scheduled termination date.

The Comptroller of the Treasury is authorized under Section 4-29-111 to conduct a limited program review audit of the Board of Nursing and the Interstate Nurse Licensure Compact and to report to the Joint Government Operations Committee of the General Assembly. This audit is intended to aid the committee in determining whether the Board of Nursing and the Interstate Nurse Licensure Compact should be continued, restructured, or terminated.

ORGANIZATION AND STATUTORY RESPONSIBILITIES

The Board of Nursing was created in 1911 and is authorized by Section 63-7-201, *Tennessee Code Annotated*. Its mission is to “safeguard the health, safety and welfare of Tennesseans by requiring that all who practice nursing within this state are qualified and licensed to practice.” The board is composed of 10 board members who have at least 5 years of experience as a registered nurse, advanced practice nurse, or licensed practical nurse, and 1 consumer member. See Appendix 1 (page 16) for the current board composition, and Appendix 2 (page 17) for the statistics and descriptions of the various licenses. The Department of Health’s Division of Health Related Boards oversees the administrative staff that assists the board with the licensure, education, and practice of the more than 140,000 nurses who are licensed in the state.

Tennessee Board of Nursing Organization Chart As of August 1, 2017



Source: Tennessee Board of Nursing

AUDIT SCOPE

We audited the Board of Nursing's activities and the state's involvement in the Interstate Nurse Licensure Compact for the period of January 2010 to July 2017. Our audit scope included a review of internal controls and compliance with laws and provisions of contracts that are significant within the context of the audit objectives. Management of the Board of Nursing and the Interstate Nurse Licensure Compact are responsible for establishing and maintaining effective internal controls and for complying with applicable laws, regulations, and provisions of contracts.

For our sample design, we used nonstatistical audit sampling, which was the most appropriate and cost-effective method for concluding on our audit objectives. Based on our professional judgment, review of authoritative sampling guidance, and careful consideration of underlying statistical concepts, we believe that nonstatistical sampling provides sufficient, appropriate audit evidence to support the conclusions in our report. We present more detailed information about our methodologies in the individual report sections.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

PRIOR AUDIT FINDINGS

As a part of this audit, we followed up on recent prior audit findings related to the Board of Nursing and Department of Health functions impacting the board, such as the department's licensure and regulatory information system. We found that all prior findings were resolved except

- Finding 6 in the December 2009 performance audit of the Health Related Boards, which stated that the Office of Investigations did not have the resources to properly monitor disciplinary actions once they were issued to health care professionals. We recommended that the department hire additional staff to monitor disciplinary actions and implement an electronic tracking system to assist with the monitoring. Our current audit results related to disciplinary monitoring, which found that the recommendations were partially implemented, are located in Finding 2 on page 6.
- Finding 3 in the December 2009 performance audit of the Health Related Boards, which stated that the department was not querying the National Practitioner Data Bank when conducting background checks on potential licensees. As a result, some problems in an applicant's past might not be detected. We recommended that staff supplement existing efforts to check applicants' backgrounds by querying the data

bank during the application process. Our current audit results related to the data bank, which found that the recommendations were partially implemented, are located in Finding 4 on page 12.

OBJECTIVES, METHODOLOGIES, AND CONCLUSIONS

BOARD OF NURSING

LICENSURE AND REGULATORY SYSTEM

In 2015, the Department of Health implemented a computer system called the Licensure and Regulatory System (LARS) to store the licensure information for all the state's health professions. The Board of Nursing's administrative staff uses LARS to process nurse licensure applications and to track disciplinary complaints. To evaluate the system, we interviewed the department's Administrative and Information Technology staff and board staff, and we reviewed data contained in LARS and reports generated by LARS.

Finding

1. Department of Health management cannot effectively monitor licensees and board operations because of inherent limitations of the Licensure and Regulatory System

Overall, we found that the Licensure and Regulatory System (LARS) has two serious flaws. First, information was unintentionally removed from users' screens when changes were made to parts of the system, causing staff confusion about data fields within the system. Second, the system has limited reporting capabilities, which lessens management's ability to monitor the department's performance.

Information Removed from Users' Screens

Because of system changes, data was not always readily available to Department of Health staff. Specifically, staff reported that when changes were made to one part of the system, data would seem to disappear from users' screens in an unrelated part of the computer system. For example, prior to the change, information about a licensee's education would appear on one screen; however, after the change, the education information no longer appeared on previously used screens for 65,000 nurse licensees.

Department management acknowledged that system changes did cause information to disappear from users' screens. However, they stated that the information was not deleted from the system; instead, it remained in the system but was no longer visible to users. As of August 1, 2017, neither the department nor its private computer contractor could explain why this occurred.

The fact that changes made to one part of the system could cause apparent data loss (from the user's perspective) in another part of the system was unexpected and should not have occurred.

Reporting Limitations

Second, while LARS could generate some reports that helped management monitor board operations, it could not generate other useful reports. For example, during our review, we were unable to obtain a combined report containing information necessary to review disciplinary complaints against nurses; instead, we had to gather and combine information from three separate reports. Not only is this time consuming, but it also limits management's ability to use the information to monitor board operations.

LARS was primarily designed to store data and, as installed, could only produce a limited number of preprogrammed reports, containing a limited amount of information. As a result, the department also purchased software, Crystal Reporting, which enabled it to develop additional reports based on users' needs. However, the department reports that only a limited number of staff were trained to use this software, which resulted in its limited use. Alternatively, staff typically relied on the Department of Finance and Administration's Strategic Technology Solutions Division and the private computer contractor to obtain one-time queries and non-programmed reports.

During audit fieldwork, the department was in the process of training additional staff to use Crystal Reporting so that more reports could be developed without involving outside parties.

Additionally, we determined that LARS does not capture all information needed to monitor licensing application timeliness (see Finding 3 on page 11). There are also ways the department could use LARS to better assist management in monitoring board operations (see Finding 2 on page 6).

Recommendation

Department management should continue to work with its vendor to determine what caused information to be removed from users' screens in LARS and should take appropriate steps so that future system upgrades do not cause the same problem. Additionally, the department should continue to train additional staff on the Crystal Reporting software.

Management's Comment

We concur in part. At the time of this audit, licensee education data captured on practitioner profiles had been reconfigured to standardize the capture of degree/education information by using dropdown boxes rather than the free form text boxes previously permitted. Any degree descriptions that did not conform to the list of values provided in the dropdown list was purged during a system improvement in the Licensure and Regulatory System (LARS). This system improvement was intended to standardize the descriptions of types of degrees

conferred which is informative, but not statutorily required. This optional data included such information as additional detail about degrees conferred and types of training taken by the licensee. Successful data migration of approximately 100,000 practitioner profiles was achieved; however, the education data that did not fit within the standard choices could not be restored for approximately 32,000 practitioner profiles. The 32,000 practitioner profiles included data for both active and expired licensees. Even with standardization of this optional data, migration was successful for more than 68% of active practitioner profiles. As of May 2017, licensees have been made aware that they are able to verify and update their practitioner profiles online. With other improvements in LARS, the department will be able to verify this information at the time of license renewal as licensees will be required to verify and/or update their practitioner profiles in order to complete a renewal. We believe that these two methods of verification of practitioner profiles will restore and/or replace more consumable information to the LARS database.

Regarding the reporting limitations, LARS produces a limited number of pre-programmed reports. In order to better assist management to monitor board operations, the department purchased Crystal Reporting software to provide ad hoc reports based on users' needs. We currently have a limited number of users trained on the software, but will continue to train additional staff on the Crystal Reporting software.

INVESTIGATIONS AND DISCIPLINARY MONITORING

The Department of Health's Office of Investigations (the office) reviews and investigates complaints that are brought against licensed and unlicensed practitioners. In addition, it is responsible for monitoring practitioners who have been disciplined by the Board of Nursing.

Our objectives for this section were to review how the department processes and conducts nurse investigations and how it monitors disciplined practitioners. To assess if investigations were completed in a timely manner and according to the department's policies and procedures, we reviewed a random sample of 30 nurse investigations that were closed between November 1, 2016, and March 31, 2017, as well as 10 random nurse investigations that were open as of March 31, 2017. We included the latter group in our review because the department made substantial changes to the investigative process in October 2016. While not enough time has elapsed to formally evaluate if the changes had a significant impact, we included a small number of cases in our review in case there were significant differences.

2. The Department of Health's Office of Investigations should ensure all investigations are completed in a timely manner and improve its monitoring of disciplined practitioners

Overall, the office has made efforts to improve investigation timeliness; however, some investigations were not completed on time. In addition, the Licensure and Regulatory System did not assign updated priority levels to investigations. Finally, while the department hired additional office staff to monitor licensees subject to disciplinary actions, this monitoring remained manual.

Some Investigations Not Completed In a Timely Manner

When the Department of Health receives a consumer or similar complaint about a licensee, the Office of Investigations' director and the triage coordinator evaluate the severity of the complaint and assign a priority level using guidance in Policy 205 of the *Office of Investigations Administrative Policies and Procedures*. The priority level codes signify the maximum number of days an investigator has to complete an investigation. The department changed the priority codes and the time the investigator has to complete the investigation in October 2016. Specifically, the maximum time allowed to complete the highest priority investigations increased from 5 to 7 days. See Table 1 for the priority codes in effect prior to October 2016 and Table 2 for the priority codes in effect after October (at the time of audit fieldwork).

Table 1
Office of Investigations
Complaint Priority Codes Prior to October 2016

Priority Code	Severity of Complaint	Maximum Days to Investigate Complaint
1	Potential Harm Minimal	150 days
2	Potential Harm	120 days
3	Actual Harm/No Immediate Jeopardy	21 days
4	Immediate Jeopardy	2 to 5 days

Source: *Office of Investigations Administrative Policies and Procedures*, Policy 205, prior to October 2016.

Table 2
Office of Investigations
Complaint Priority Codes After October 2016

Priority Code	Severity of Complaint	Maximum Days to Investigate Complaint
1	No Potential Harm	150 days
2	Potential Harm Minimal	120 days
3	Potential Harm	60 days
4	Actual Harm/No Immediate Jeopardy	30 days
5	Immediate Jeopardy	5 to 7 days

Source: *Office of Investigations Administrative Policies and Procedures*, Policy 205, after October 2016.

In evaluating whether the complaints in our sample were processed in a timely manner, we applied the priority policy in place at the time of the complaint's receipt, as well as any discretionary extensions given to the investigator. Overall, we found that 4 of the 30 closed complaint investigations (13%) were not closed in a timely manner. Additionally, 2 of the 10 open complaint investigations (20%) were not completed on time as required by department policy. The department was unable to provide conclusive reasons for these cited investigations' tardiness. Additional information about the cases we identified as late is in Table 3.

While the number of days late may not always appear excessive, public safety may be at stake with some complaints, especially high priority cases. Therefore, timeliness is important. Additionally, several of the identified cases had already been granted extensions.

Table 3
Nursing Professionals Investigations Exceeding the
Office of Investigations’ Established Closure Deadlines
Out of a Sample of 40 Investigations*

Closed Complaints				
Complaint Number	Priority Level and Extensions Given	Policy Investigation Timeframe	Number of Days Investigated	Number of Days Over Investigation Timeframe
1	Level 2	120 days	121 days	1 day
2	Level 2	120 days	135 days	15 days
3	Level 2 and 2 30-day extensions	180 days	189 days	9 days
4	Level 2 and 1 30-day extension	150 days	160 days	10 days
Open Complaints				
Complaint Number	Priority Level	Policy Investigation Timeframe	Number of Days Investigated	Number of Days Over Investigation Timeframe
1	Level 4	30 days	35 days	5 days
2	Level 3	60 days	68 days	8 days

*Source: Auditor’s analysis of a randomly selected sample of 30 Office of Investigations’ files regarding nursing professions that were closed between November 1, 2016, and March 31, 2017, as well as 10 random nurse investigations that were open as of March 31, 2017.

Office of Investigations’ Policies and Procedures

During our fieldwork, we noted that the policies and procedures for the Department of Health’s Office of Investigations could be easily misinterpreted regarding when an investigation is considered closed for individual and office monitoring purposes. As stated in the Office of Investigations Administrative Policies and Procedures, File 300, “A file is not complete until accepted by the reviewer in Central Office, and credit will not be given to their investigator until the file is deemed complete by Central Office.” During fieldwork, staff reported two separate interpretations for this policy. One interpretation is that investigations are considered closed when investigators complete their work. Another interpretation is that investigations are not considered closed until the results are submitted to office management to review and approve. Although this confusion is not likely to materially affect the overall timeliness of investigations, it could potentially complicate the monitoring of office operations by management and auditors if the policy is open to interpretation.

Investigation Priority Codes

As discussed on page 7, the Department of Health's Office of Investigations changed its investigation priority levels in October 2016. However, the department's Licensure and Regulatory System (LARS) was not updated to reflect these changes. As a result, the out-of-date priority codes listed in Table 1 (on page 7) were still programmed in LARS at the time of audit fieldwork. Based on the date that each investigation was opened, we relied on both the old and new priority codes to determine if the investigations were completed on time.

Because LARS did not have current priority codes, management could only monitor investigation timeliness through a manual Excel spreadsheet, rather than more robust, automated reports. This manual tracking is time consuming and increases the potential for human error.

Disciplinary Monitoring

The December 2009 performance audit of the Health Related Boards found that the Department of Health's Office of Investigations did not have the resources to properly monitor disciplinary actions once they were issued to health care professionals. We recommended that the department hire additional staff to monitor disciplinary actions and implement an electronic tracking system to assist with the monitoring. During the current audit, to determine whether disciplined nurses were being properly monitored, we interviewed administrative staff and reviewed office policies.

Although the department hired a new disciplinary coordinator exclusively to monitor the Board of Nursing's disciplinary actions, the coordinator manually tracks disciplinary actions on an Excel spreadsheet, as was done at the time of the December 2009 audit. As of January 2017, the coordinator was monitoring over 1,000 disciplinary cases. The coordinator is responsible for monitoring a large volume of files, and tracking cases manually increases the opportunity for human error and could result in the board failing to identify licensees' lapses.

In addition, we found that the office does not have formal policies and procedures to help staff monitor disciplinary actions. Instead, the coordinator uses professional judgement to determine the best way to monitor files. While we did not note any concerns with the coordinator's professional judgement, the office cannot ensure that disciplined practitioners are thoroughly and uniformly monitored without formal policies and procedures. Additionally, any new monitoring staff would be at a disadvantage without policies and procedures.

This is a repeat finding.

Recommendations

Investigation Timeliness

Department management should determine why investigations are not timely, then take steps to complete investigations within priority-level deadlines.

Office of Investigations' Policies and Procedures

The department should clarify its investigation policies to clearly state when investigations are considered closed.

Investigation Priority Levels

The department should take steps to ensure that the correct priority codes are in LARS.

Disciplinary Monitoring

The department should consider ways to generate automated reports to assist its Office of Investigations in monitoring disciplined practitioners. For example, the department could evaluate the feasibility of creating a disciplinary function or report in the Licensure and Regulatory System. Additionally, the department should create policies and procedures for monitoring disciplinary actions.

Management's Comment

We concur. Overall, the improvements in the timeliness of investigations has resulted in the majority of complaints (87%) either being completed by or earlier than their benchmarks. The benchmarks that are assigned are calendar days and not business days. As such, weekends and holidays are captured within the benchmark. Going forward the shorter benchmarks will be defined as business days, to avoid the delays that occur in reaching witnesses and respondents on weekends and holidays. Likewise, the Office of Investigations will implement a new policy to clarify when investigations are deemed to be closed. At the time of this audit, the Licensure and Regulatory System had not been updated to reflect new priority codes for investigations. At this time, the Licensure and Regulatory System reflects the new priority codes for investigations. The LARS system was updated on July 26, 2017, in order to better assist management with monitoring investigation timeliness.

LICENSURE APPLICATION PROCESS

The Division of Health Related Boards' administrative staff is responsible for processing licensure and certification applications. This includes entering key information about the applicant and application into the Licensure and Regulatory System and obtaining third-party information about the applicant's history. We compared policy to data entry practices and found that they differ, resulting in an incomplete management analysis of application processing timeliness. Additionally, the Department of Health has not implemented past audit recommendations to use the National Practitioner Data Bank to obtain complete information about the applicant.

To determine if Board of Nursing staff process applications in a timely manner, we reviewed a random sample of 40 nurse applications that were processed between January 2015 and December 2016. This resulted in the following finding.

Finding

3. Board of Nursing management does not know true application processing time because the Licensure and Regulatory System does not record the date paper applications were received

When the Department of Health receives a paper application, the application is date stamped and assigned to a licensure technician. In a separate process and potentially on a later date, the assigned technician will then enter the application into the Licensure and Regulatory System (LARS). According to departmental policies and procedures, technicians have 1,025 days from the date stamp to begin to process the application. Board of Nursing management uses information from LARS to monitor whether board staff process applications in a timely manner.

Currently, LARS only captures the date that paper application is entered into the system, but not the date that it was received. These dates can potentially differ, especially if there is a backlog of applications waiting to be entered into LARS. Based on our review, we found that there can be a significant time difference between when applications are received by the board and when they are entered into LARS by technicians. Because of this gap, management cannot monitor and analyze the true picture of application processing timeliness. In particular, there is a risk that department management may not immediately identify backlogs of applications which have been received, but not yet entered into LARS.

To obtain a complete analysis of processing timeliness, the department should develop a method to capture both the timestamp date and the LARS data entry date. Without capturing both dates, management will not have a full picture of processing timeliness and will not know if there is a backlog of applications.

Recommendation

The department should modify LARS to enable it to record when paper licensure applications are received, as well as when they are entered into the system.

Management's Comment

We concur. Since the department implemented online initial applications on May 15, 2017, the Board of Nursing has only accepted applications electronically, eliminating paper applications that were not date stamped electronically into LARS when received. Electronic applications are tracked from the time they are submitted by the applicant until the application process is completed.

Finding

4. **The Board of Nursing should consider using the National Practitioner Data Bank when conducting background checks on potential licensees**

The December 2009 performance audit of the Health Related Boards recommended that the state’s health boards consider using the National Practitioner Data Bank to obtain information on applicants’ licensing and disciplinary history in other states. Such information can detect if applicants have been disciplined in other states but failed to provide that information on their Tennessee application.

The federal government, under Title IV of the Health Care Quality Improvement Act of 1986, created the National Practitioner Data Bank to store the licensure and disciplinary information of all health care professionals in the United States. Health care entities and licensing authorities are required by federal law to submit disciplinary information to the data bank. However, they are not required to query the data bank when considering whether to license or hire a practitioner.

In lieu of querying the data bank when reviewing applicants’ backgrounds, the Board of Nursing queries the National Council of State Boards of Nursing’s database, called Nursys. In part, the board uses Nursys because there is no fee, while there is a fee to query the data bank. While Nursys provides potentially helpful information, it does not contain information about all nursing professions. As a result, Nursys may give an incomplete history of an applicant in other states. In contrast, states are required to report all nurse professionals’ licensing information to the data bank. As a result, the data bank would provide a more complete record of an applicant’s history. See Table 4 for a comparison of the national data bank and Nursys.

Table 4
Mandated Information Contained in the National Practitioner Data Bank
Versus the Nursys Database
July 2017

Professions Reported to National Practitioner Data Bank	Professions Reported to Nursys
Nurse Practitioner	Registered Nurse
Doctor of Nursing Practice	Licensed Practical/Vocational Nurse
Advanced Practice Nurse	
Clinical Nurse Specialist	
Registered (Professional) Nurse	
Other Nurse Occupation - Not Classified	
Licensed Practical or Vocational Nurse	
Certified Nurse Aide/Certified Nursing Assistant	
Nurse’s Aide	
Home Health Aide (Homemaker)	
Health Care Aide/Direct Care Worker	
Certified or Qualified Medication Aide	
Other Aide Occupation - Not Classified	

Source: Auditors’ analysis of information provided by the Board of Nursing, the National Practitioner Data Bank, and the Nursys database.

As Table 4 indicates, Nursys stores information on a limited number of nursing professions; therefore, it is unlikely to be a comprehensive database. Because nurses can work in a variety of nursing professions throughout their careers, it is important that the board use a comprehensive source, and possibly multiple sources, to complete comprehensive background checks for all potential licensees.

The December 2009 performance audit recommended that the board consider charging applicants a small fee to cover the data bank query in order to protect Tennessee citizens from problematic practitioners. As of our current audit, the board had not implemented the recommendation.

This is a repeat finding.

Recommendation

The board should implement the recommendations of Finding 3 in the December 2009 performance audit of the Health Related Boards by using the National Practitioner Data Bank in lieu of, or in addition to, Nursys to provide comprehensive professional background checks.

Management's Comment

We concur, in part, that the NPDB may offer a benefit that Nursys does not and the board will consider entering into an agreement with NPDB in addition to Nursys. All boards of nursing in the United States cooperate by transmitting disciplinary data on RNs, LPNs and APRNs (nurse practitioners, nurse anesthetists, nurse midwives and clinical nurse specialists) to Nursys daily. This database includes disciplinary orders, fraud tracking, alerts and messages to boards of nursing and is available at no cost to the board. Additionally, nurse licensure compact states share significant investigative information through Nursys; party states hold in abeyance applications for multistate licensure until the conclusion of the disciplinary matter. All RNFAs are also RNs such that their disciplinary data is included in Nursys. Nursys (coordinated licensure information system) participation is required by the nurse licensure compact statute.

REGULATION OF PUBLIC SCHOOL NURSES

During the course of our audit of the Board of Nursing, board members discussed their concerns with how Tennessee regulates public school nurses. To obtain further information on Tennessee's regulation of such nurses, we interviewed board members, board staff, and Department of Health staff, and we reviewed relevant statutes.

Nurses working in public schools are subject to board licensing and discipline just like all other nurses. However, because these professionals impact the health and safety of public school children, statute provides for multiple programs to bolster public school nurses' practice and school-based health in general. First, Section 68-1-1201, *Tennessee Code Annotated*, established the Tennessee Public School Nurse Program to improve and safeguard the health and well-being of Tennessee's public schools' population and to provide guidance to public school nurses.

However, according to Department of Health management, this program has not been funded by the legislature and is inactive. As a result, department management submitted a request to the state's Office of the Repealer to consider the statute for removal. As of April 2017, this request has not been resolved.

Second, Title 49, Chapter 1, Part 10, *Tennessee Code Annotated*, established the Connie Hall Givens Coordinated School Health Program in 2010. This program is active and provides health services, health education, school nutrition services, school counseling, and other services to enhance students' health. These functions appear to somewhat overlap with the inactive Tennessee Public School Nurse Program.

Because these programs are not under the Board of Nursing's jurisdiction, a review of these programs is outside the scope of this audit. However, preliminary analysis suggests the two programs may be somewhat duplicative. Therefore, the General Assembly may wish to consider the relationship between these two programs.

INTERSTATE NURSE LICENSURE COMPACT

The National Council of State Boards of Nursing created the Interstate Nurse License Compact (original compact) in 2000 to allow registered nurses and licensed practical nurses to practice in all signatory states using one multistate license. The Tennessee General Assembly authorized the state's Board of Nursing to participate in the original compact via Section 63-7-302, *Tennessee Code Annotated*, and the board joined the original compact in July 2003.

In May 2015, the National Council of State Boards developed a new, enhanced compact, the Nurse Licensure Compact, which is intended to replace the original compact. The enhanced compact expands upon the language in the original compact by providing for additional nurse mobility, while maintaining public protection. The enhanced compact's provisions also establish

- uniform licensure requirements for a multistate license;
- board authority to obtain and submit criminal background checks;
- a governing body known as an "Interstate Commission" with authority to develop rules binding on all signatory states;
- improved dispute resolution processes; and
- methods for states to enter, withdraw from, or amend the compact.

In March 2016, the General Assembly approved Tennessee's participation in the enhanced compact.

Finding

5. The enhanced nursing compact is expected to become effective in January 2018, necessitating its addition to the Tennessee Governmental Entity Review Law

Compact provisions require that 26 states sign the enhanced Nurse Licensure Compact before it can go into effect. The 26th state joined the enhanced compact in July 2017. The enhanced compact's commission is expected to convene in August 2017 to set an effective date of approximately January 28, 2018. Per Section 4-29-239(a)(27), *Tennessee Code Annotated*, the original Interstate Nurse Licensure Compact is scheduled for termination on June 30, 2018. Furthermore, the original Interstate Nurse Licensure Compact will be automatically repealed and replaced by the enhanced Nurse Licensure Compact once the latter goes into effect, pursuant to Title 63, Chapter 7, Parts 3 and 4, *Tennessee Code Annotated*. The new, enhanced compact does not yet have a scheduled termination date in the Tennessee Governmental Entity Review Law.

Because the enhanced compact is not yet effective, it is too early for auditors to gauge its impact.

Recommendation

If the enhanced Nurse Licensure Compact becomes effective during the 2018 General Assembly session as expected, the General Assembly may wish to consider assigning it a termination date in the Tennessee Governmental Entity Review Law.

Management's Comment

We concur, at the discretion of the General Assembly. By emergency rule, the Enhanced Nurse Licensure Compact is set to be implemented January 19, 2018.

APPENDICES

APPENDIX 1 Board of Nursing Members August 1, 2017

Board Member	Title	Representation*	District	Term Expires
Brent Earwood	Chair	APRN	District 8	5-31-2020
Juanita Turnipseed	Vice Chair	RN/APRN	District 5	9-30-2017
Leslie Nelson Akins	Board Member	RN/APRN	District 4	5-31-2020
Martha M. Buckner	Board Member	RN/PhD	District 7	9-30-2017
Janell Rae Cecil	Board Member	RN	District 2	9-30-2017
Donald Lee Mills	Board Member	Public Member	District 8	9-30-2017
Lisa A. Heaton	Board Member	RN	District 1	3-31-2018
Marietha O. Silvers	Board Member	RN	District 3	5-31-2020
Lee Ann Stearnes	Board Member	APRN	District 9	9-30-2017
Arthur L. Thompson	Board Member	LPN	District 5	9-30-2017
Mark Allen Young	Board Member	RN/APRN	District 6	5-31-2020
Elizabeth Lund	Ex- Officio	RN	-	-

*See Appendix 2 for a description of licenses.

Source: Tennessee Board of Nursing.

APPENDIX 2
Active Nursing Licensees
as of August 1, 2017

Profession	Description	Number of Licensees
Advanced Practice Registered Nurse (APRN)	A registered nurse with a master's degree or higher in a nursing specialty and national specialty certification, such as a nurse practitioner, nurse anesthetist, nurse midwife, or clinical nurse specialist.	13,139
Registered Nurse (RN)	An individual responsible for supervising a patient; maintaining the health or preventing the illness of others; and administering medications and treatments as prescribed by a licensed physician, dentist, podiatrist, or advanced practice nurse.	100,459
Licensed Practical Nurse (LPN)	An individual who provides nursing care of the ill, injured, or infirm and/or carries out medical orders prescribed by a licensed physician or dentist under the direction of a licensed physician, dentist, or registered nurse.	30,067
Registered Nurse First Assistant	A registered nurse who is certified in perioperative nursing, or nursing related to surgeries.	42
Medication Aide Certified	An individual who administers medications under the supervision of a nurse.	0
Total		143,707

Source: Tennessee Board of Nursing, descriptions from statutes.

APPENDIX 3
Board of Nursing Licensure and Certification Fees
as of August 1, 2017

License/Certificate	Initial Application Fee	Endorsement Fee	Renewal Fee & Frequency	Reinstatement Fee
Advanced Practice Registered Nurse Certificate	\$210	-	\$110 (biennial)	\$210 prorated
Registered Nurse	\$100	\$115	\$100 (biennial)	\$200 prorated
Licensed Practical Nurse	\$100	\$115	\$100 (biennial)	\$200 prorated
Registered Nurse First Assistant Certificate	\$110	-	\$110 (biennial)	\$110
Medication Aide Certified Certificate	\$160	-	\$135 (biennial)	\$110

Source: Tennessee Board of Nursing.

APPENDIX 4
Board of Nursing Financial Information
Fiscal Years 2012-2016

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Total Expenditures	\$5,680,667.32	\$5,666,380.71	\$5,518,512.69	\$4,748,155.18	\$4,258,454.36
Board Fee Revenue	\$7,088,874.71	\$7,030,324.81	\$6,687,434.66	\$6,571,808.17	\$5,535,472.48
Annual Net	\$1,408,207.39	\$1,363,944.10	\$1,168,921.97	\$1,823,652.99	\$1,277,018.12
Cumulative Carryover	\$8,690,086.54	\$7,635,110.51	\$6,271,166.41	\$5,012,244.44	\$3,278,591.45

Source: Tennessee Board of Nursing.

The December 2009 performance audit of the Health Related Boards found that the Board of Nursing was not self-sufficient. The board has since increased licensure fees and has been self-sufficient since 2010. As seen in the table above, the board has a cumulative carryover balance of \$8,690,086 as of fiscal year 2016. Although this amount may seem large, it does not exceed two years' of the board's expenditures, the guideline in the Division of Health Related Boards' *Administrative Policies and Procedures*, File No. 106.05. In addition, department staff actively monitor the carryover balance.