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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 285
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 285's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Ghanbari and Rogers

Local Impact Statement Procedure Required: Yes

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Highlights

- Government-owned hospitals could experience significant costs to meet the registered nurse-to-patient staffing ratios and related duties established by the bill.
- The Ohio Department of Health (ODH) will incur costs to monitor each hospital's compliance with the bill's nurse-to-patient staffing ratios, including costs to conduct audits and investigations and to establish complaint procedures. Total costs will depend on a number of factors, including whether additional staff or resources are necessary and the number of complaints received.
- The bill appropriates \$10 million in each of FY 2024 (which has passed) and FY 2025 to support the Nursing Student Loan-to-Grant Program, under which the Ohio Department of Higher Education (ODHE) will award forgivable student loans of up to \$3,000 per year for up to four years to eligible nursing students who commit to serve for five years as direct care registered nurses or faculty members in a prelicensure nursing education program for registered nurses. The bill supports the appropriations through a cash transfer of \$20 million from the GRF to the Nursing Student Loan-to-Grant Fund (Fund 5BA1).
- ODHE's administrative costs may increase to implement and operate the Nursing Student Loan-to-Grant Program, including to monitor the progress of loan recipients in fulfilling their service obligations.

Detailed Analysis

Hospital requirements

Nurse staffing plan

The bill requires hospitals to develop and implement a nurse staffing plan based on the recommendations of its nurse staffing committee, which the bill requires each hospital to establish. The initial plan must be developed and implemented within one year of the bill's effective date for hospitals currently in operation. The staffing plan must ensure that the hospital is in compliance with the nurse-to-patient staffing ratios established under the bill. Hospitals must implement these staffing ratios within two years after the bill's effective date unless the hospital is located in a rural area. Rural hospitals must instead implement these ratios within four years of the effective date. The bill exempts hospitals from complying with these ratios in specified circumstances, including during a state of emergency or if there is a documented inability to obtain staffing coverage, and also allows a hospital to deviate from the staffing ratios under certain conditions. The bill states that a hospital cannot place a patient for care in a particular unit unless the staffing ratios are sufficient to meet the level of intensity, type of care, and individual needs of that patient. Additionally, if the hospital provides care in a unit with adjustable patient acuity levels, the hospital must use the ratio that applies to the highest patient acuity level that exists within the unit during a working shift. Government-owned hospitals could experience significant costs to meet the staffing ratios established by the bill, including costs to hire a considerable number of registered nurses.¹ However, government-owned hospitals might realize some savings if these ratios reduced the turnover rate for nurses or reduced hospital stays for patients. Additionally, there could be indirect impacts associated with the bill. For instance, increases in hospital costs could eventually lead to increases in Medicaid reimbursements for services rendered.

Under the bill, a hospital is required to evaluate and update its plan annually. Each hospital is required to submit to the Director of Health a copy of its initial nurse staffing plan, as well as its annual updates. Additionally, hospitals are subject to certain requirements when implementing the ratios. These include not assigning a registered nurse to a patient care unit unless the nurse has received an orientation sufficient to provide competent care in that unit, not using video monitors to meet staffing ratios, and not imposing mandatory overtime on any registered nurse. Government-owned hospitals will experience costs to conduct evaluations and make updates. There may also be additional training costs to ensure nurses are provided with appropriate orientation.

Nurse staffing committees

Each hospital is required to establish a nurse staffing committee to make recommendations regarding the nurse staffing plan and other relevant matters. The hospital selects the number of members to serve on the committee, but at least 50% of the membership must consist of direct care registered nurses with at least one registered nurse serving as a member from each patient care unit. The bill specifies that attending a meeting of the committee

¹ About 15 hospitals in Ohio are operated by government entities, such as counties, hospital districts, or state universities.

is to be considered by the hospital as part of the member's regularly scheduled hours of work. Hospitals are currently required to have hospital-wide nursing care committees, which evaluate and make recommendations regarding the hospital's nurse staffing plan at least once every two years. The bill repeals these committees. As a result, some of the costs associated with these committees could instead be used for costs associated with the nurse staffing committees established under the bill. However, since the nurse staffing committees established by the bill are required to evaluate staffing plans more frequently (at least once a year), there could be additional costs if there are more frequent meetings.

Duties and notices

The bill also requires hospitals to post a uniform notice to each patient care unit explaining the nurse-to-patient staffing ratios. For each working shift in a unit, the hospital must include with the uniform notice a description of the direct care ratios that apply to the unit and the actual number and titles of the direct care registered nurses assigned during the shift. Additionally, hospitals are required to develop a system to maintain records that include the staffing levels that occurred in each patient care unit during each working shift and information certifying whether each nurse received rest and meal breaks during a working shift and who relieved the nurses during these breaks. Hospitals are also required to provide each patient or a patient's representative with the telephone number of the existing toll-free patient safety telephone line made available to the public to seek information regarding the nurse staffing requirements or make reports of inadequate staffing or care at the hospital. Government-owned hospitals will incur administrative costs and possibly information technology costs as a result of these provisions. The Ohio Department of Health (ODH) maintains the existing toll-free telephone line. Depending on the volume of calls made to the telephone line as a result of the bill, ODH could require additional resources to respond to complaints or to fulfill requests for information about the staffing ratio requirements.

Ohio Department of Health requirements

The bill permits the Director of Health to establish more stringent nurse-to-patient staffing ratios if necessary to protect patient safety. Additionally, the Director is required to monitor each hospital's compliance with its staffing plan and documentation requirements. Specifically, the Director must conduct at least one audit of a hospital every two years (or more frequently if necessary) in order to determine whether the hospital is maintaining the required records. The Director must also establish procedures to allow registered nurses, hospital patients, or any other person to file complaints regarding any potential violations. On receiving such a complaint, the Director is required to conduct an investigation. If the Director determines that a hospital is in violation of the bill's requirements, a hospital must submit a corrective action plan to the Director. The Director may approve the plan or require revisions. ODH will incur costs to perform these duties. It is possible that additional staff may be necessary to ensure compliance. Whether additional staff is necessary will likely depend on the complexity of the audit process, the number of complaints received, and the number of potential violations requiring investigations. Government-owned hospitals could realize costs to complete corrective action plans and to make any necessary revisions to these plans.

Additionally, not later than one year after the bill's effective date, the Director of Health, in consultation with the Board of Nursing and the Ohio Department of Higher Education (ODHE), must prepare a report containing recommendations for ensuring that sufficient numbers of

nurses are available in this state to meet the bill's staffing requirements. On completion of the report, the Director must submit copies to the General Assembly. ODH, the Board of Nursing, and ODHE may incur minimal costs to develop recommendations and prepare the required report for the General Assembly.

Fines; Nurse Education Assistance Loan Program

The bill allows the Director of Health to impose fines in instances where a violation is not resolved by a corrective action plan. In the case of a hospital, the fine must not be more than \$25,000 for the first offense and not more than \$50,000 for each subsequent offense. In the case of an individual employed by a hospital, the fine amount must not exceed \$20,000 for each offense. Any government-owned hospital in violation of the bill's provisions may be subjected to these fines. Lastly, the bill allows the Director to request that the Attorney General prosecute to collect any unpaid fines. If called upon to do so, the Attorney General's Office could realize costs. The bill also prohibits a hospital from taking any retaliatory action against an RN or to RNs and others in certain situations relating to the bill. If a hospital takes retaliatory action, the bill specifies that the RN has a cause of action in court against the hospital, which could result in court costs.

The total fines collected will depend on the number of violations. The fines collected are to be deposited into the Nurse Education Assistance Fund (Fund 6820) to support the Nurse Education Assistance Loan Program (NEALP), which ODHE administers. Fund 6820 is generally supported by surcharges on the license renewal fees paid by registered nurses and licensed practical nurses. Under current law, ODHE uses Fund 6820 to support loans made under NEALP and program administrative costs. The bill requires ODHE to use any fine revenue collected to make loans, as it specifically prohibits ODHE from using fines for NEALP administration. In addition, the bill limits the amount of surcharge license fee revenue ODHE uses for NEALP administration to the amount that would have been used if it did not have fine revenue available to make loans.

NEALP provides financial assistance to Ohio students enrolled in at least half-time study in approved Ohio nurse education programs, including post-licensure nursing instructor programs. Specifically, NEALP funds forgivable loans of \$1,800 in FY 2025 to students intending to serve as registered nurses and of at least \$5,000 per year to nurses intending to become nurse instructors. Students that have obtained the appropriate licensure and are employed in the field of nursing are eligible to have 100% of their outstanding loans canceled in increments of 20% over five years of service, while those students that obtain their graduate degree and are employed as nursing instructors are eligible to have 100% of their outstanding loan balance canceled in increments of 25% over four years of service. According to ODHE, NEALP supported 456 students with approximately \$617,000 in loans in FY 2024, the most recent year of publicly available data.²

² See ODHE's [Summaries of Program Expenditures – Fiscal Year 2024 \(PDF\)](#), which may be accessed by conducting a keyword "SGS Expenditures" search on ODHE's website: higher.ed.ohio.gov.

Nursing Student Loan-to-Grant Program

The bill creates a new nurse education financial assistance program under ODHE that is somewhat similar to NEALP. The Nursing Student Loan-to-Grant Program will provide forgivable student loans of up to \$3,000 per year for up to four years to eligible nursing students who commit to serve for five years as direct care registered nurses in certain hospitals, nursing homes, or residential care facilities, or as faculty members in prelicensure nursing education programs. Upon satisfactory completion of the service obligation, a recipient's loan converts to a grant that is no longer subject to repayment. If, however, ODHE determines that a recipient is not making a good faith effort to fulfill the service obligation following completion of the highest level of education being sought by the recipient, ODHE must seek repayment on the full amount of the loan. Upon request of ODHE, the Attorney General must bring a civil action against any recipient that fails to repay the loan.

To support awards under the program, the bill transfers, on the bill's effective date or as soon as possible thereafter, \$20 million cash from the GRF to the newly created Nursing Student Loan-to-Grant Fund (Fund 5BA1), and appropriates \$10 million in each of FY 2024 (which has passed) and FY 2025 from Fund 5BA1 line item 235683, Nursing Student Loan-to-Grant Program, under ODHE's budget. The bill reappropriates the available balance of line item 235683 at the end of FY 2024 to support the program in FY 2025. The bill's annual appropriation supports at least 3,333 awards per year ($\$10 \text{ million annual appropriation} \div \$3,000 \text{ maximum annual award}$).

ODHE's administrative costs may increase to implement and operate the Nursing Student Loan-to-Grant Program. These costs could be significant since the bill requires ODHE to monitor the progress of potentially thousands of award recipients to verify that each is meeting the service obligations. The bill's appropriation will not cover any administrative costs, as the bill restricts the money in Fund 5BA1 to disbursing awards. However, H.B. 33 of the 135th General Assembly, the current main operating budget act, appropriates \$1.0 million in FY 2025 from GRF line item 235414, Grants and Scholarship Administration, for ODHE to manage and administer student financial aid programs.