

Fee Bylaw Amendments Explanation

Amendments to the SALPN Fee Bylaws

SALPN 2020 Fee Bylaw Amendment Consultation Briefing

On behalf of the SALPN Council, please accept this opportunity to learn about the amendments to the SALPN Fee Bylaws and the reasons for them. Feedback regarding the SALPN fee bylaw amendments is welcomed and can be emailed to Lynsay Nair, SALPN Executive Director, at lnair@salpn.com.

The Fee Bylaw Amendments

The Council approved amendments to the SALPN Fee Bylaws effective January 1, 2020.

Section 13(2) of the Act states, *“A bylaw made by the Council pursuant to subsection (1) has effect only until the next annual meeting or special meeting of the association and, unless confirmed or varied by the members in accordance with subsection (3), ceases to have any effect after that time.”*

Section 13(3) of the Act states, *“With the approval of a two-thirds majority of those members who vote at an annual or special meeting, the association may:*

- (a) make bylaws for any purpose set out in section 14; and*
- (b) confirm, vary or revoke any bylaw made by the Council pursuant to subsection (1).*

To help interpret the wording in the Act, the fee bylaws, which became effective January 1st, will be presented at the AGM. The bylaws will require a 2/3 majority vote to confirm them. The Council has the authority in the LPN Act to amend and approve administrative and fee bylaws if they are revoked at the AGM if deemed necessary. Should the Council amend the bylaws after the AGM, the amended bylaws would become effective immediately and presented at the next AGM following a similar process.

Brief Explanation of the January 1/2020 Fee Bylaw Amendments

There are various fee increases included in the fee bylaw amendments. Included is a 12.5% licensure fee increase, the first since 2010, and represents less than the Saskatchewan consumer price index increase of 18.1% since that time. The growth of the profession has recently slowed down. However, the growth of the LPN population between 2010 and 2016 and resulting revenues is the primary reason SALPN has successfully been able to manage rising costs. The proposed licensure fee increase is equivalent to approximately 12.7 hours of LPN wages compared to 15.4 hours at the time of the last increase (based on wages outlined in the varying LPN collective agreements).

Increases to various service fees are intended to cover the human resource and technology costs associated with providing the service. The human resources cost to deliver the associated services to SALPN applicants is approximately \$130 000 while only about \$80 000 recovered through the current fees.

The regulatory environment in Canada is evolving. As one of the only nations to continue to allow self-regulation of professions, provincial governments across Canada are scrutinizing the quality of self-regulation and questioning the value it adds to the public interest. Several regulators have been subject to or have subjected themselves to performance reviews revealing significant deficiencies in the governance practices of regulators, lack of depth and breadth to processes regulators are legislated to carry out, and an inability of professionals to remove their self-interest(s) while participating in self-regulation. Various changes are in progress or are proposed to change the structure of self-regulation, increase public participation in self-regulation, and a reduction of the involvement of members of the profession in the regulatory process. A “grassroots” approach to self-regulation is no longer acceptable and will not meet the evolving expectations of the industry.

The SALPN Council is committed to governing according to best practices in regulatory and board governance. The Council must have the competencies required to carry out the responsibilities delegated to them in the LPN Act and fulfil the oversight and risk management functions of a governing Council. The Council was reduced in size in 2018, which is in alignment with best practices in governance, reduces costs, and allows the SALPN to make a greater investment in developing the knowledge and skill of each Council member. Policy and process evaluation is currently underway to ensure the Council is fulfilling the obligations prescribed in the LPN Act to mitigate organizational risk and to create efficient processes. Governance costs are consistently around 5% of the total budget or less.

SALPN is accountable to ensure all responsibilities delegated by the legislature are compliant with the LPN Act and performed according to the principles of administrative law. Our resources to competently and adequately carry out the regulatory responsibilities have become limited with increasing costs. This is most evident in the processes related to Practical Nursing program approval and the management of the complaints, investigation and discipline process. The depth and breadth of the program approval processes have increased, creating high costs that primarily did not exist previously. These costs will continue to be incurred on an ongoing basis. The costs of managing complaints, investigation, and discipline processes have increased by 178% since 2014 and now consume up to 25% of SALPN’s revenues. The total number of LPNs increased by 15% in that same time frame. 2019 marked an increase of over \$100 000 in those expenses over 2018 with a total cost exceeding \$480 000. SALPN would have completed 2019 with an operating deficit had it not been for investment income. The number and complexity of complaints received are out of SALPN’s control. However, SALPN is required in the LPN Act to investigate each complaint received

SALPN has undertaken optimization as a means of combating increased costs. To date, we have found significant savings in the cost of credit card and banking fees, office supplies, telephone, and printing. It is important to recognize that less than 10% of the 2020 budget is committed to administrative costs; therefore, savings in that category, while helpful, do not drastically increase cash flow. The budgeting for SALPN hosted events were decreased in the 2020 budget to reduce the financial risk related to the high costs and unpredictable attendance. Costs related to human resources are consistent with very little change to the human resource budget between 2017-2020.

Detailed Explanation of the January 1/2020 Fee Bylaw Amendments

Licensure fees have increased to reflect the increasing cost and work of fulfilling SALPN's responsibilities to the legislature prescribed in the LPN Act.

Service fees have increased to reflect SALPN's direct and indirect investment into the services provided.

Amended Fees

Fee Description	Fee Before Amendment	Fee After Amendment
2021 Licensure/ Renewal Fee	\$400	\$450
Saskatchewan Applicant Fee	\$100	\$150
Out-of Province Applicant Fee	\$150	\$200
International Applicant Fee	\$250	\$300
Registrar's Extension Fee	\$25.00	\$100

Fees: Jurisdictional Scan	BC	AB	SK	MB
Practicing Licensure	\$497.25	\$350	\$400	\$493.50
Non-Practicing (or similar category)	\$106.25	\$50	\$60	n/a
Cost to a new Graduate to License	\$930.00	\$750	\$965.00	\$1,100.00
Local Application Fee	\$230	\$100	\$150	\$100
Out of Province Application Fee	\$300	\$235	\$200	\$315
International Application Fee	\$600	\$340	\$250	\$441

SALPN's responsibility to the legislature includes four broad regulatory obligations, and each includes several processes or functions.

1. Determine the Requirements of Licensure and Licensure Renewal
2. Determine the Standards of Practice and Ethics of the Profession
3. Approval of Practical Nurse Education Programs
4. Intervene in cases of alleged unsafe/unethical practice with an Investigation and Discipline Process.

The costs specific to the approval of Practical Nurse education programs and the processes required in the Act to manage complaints, investigation, and disciplinary processes have increased in both direct and indirect costs.

Program Approval Responsibilities:

In 2017, the SALPN adopted into bylaw updated Program Approval Standards and approved policies and procedures to guide the process. The new standards and associated policies built upon the previous process but have greatly modernized and improved the depth and breadth of the process. Program approval responsibilities are carried out by a committee known as the Education Program Approval Committee (EPAC). EPAC consists of LPNs, health care system leaders, educators, and regulators. Program approval is a comprehensive process involving multiple steps and begins with a review of the material submitted by the program to show how they are meeting the standards of program approval referenced in the SALPN bylaws. This part typically requires 2-4 days of the EPAC's time with an existing program and can be several days with a new program. A series of site visits follow the "paper" review, which is conducted by a sub-team of the EPAC. Site visits entail attending campus locations where the program is delivered and practicum sites to validate material submitted to the SALPN. Site visits include inspection of labs and student resources, campus tours, review of program documents and records, and focus groups with students, faculty, and management. The EPAC meets following the site visits to begin decision making related to recommendations and approval status.

Also new to SALPN's process in 2020 is the addition of ongoing oversight throughout the time between approval periods. The addition intends to ensure program success proactively and to fulfil SALPN's responsibilities adequately. Ongoing oversight includes progress reporting and evaluation of the response to recommendations of the approval process, review of material submitted with changes in and to the program, and periodic site visits.

In 2019, SALPN completed the cyclical review of the Saskatchewan Polytechnic Practical Nursing Program. Ongoing oversight activities are scheduled in 2020 onwards.

In 2019, SALPN began the approval of a new Indigenous Practical Nursing program offered by the Saskatchewan Indian Institute of Technology (SIIT). Following the comprehensive initial review, interim approval was granted, and the program was authorized by the SALPN Council to

deliver the first year of the program. A cohort of students began studies in September 2019. The EPAC is currently working to approve the delivery of the second year of the program.

Program Approval Costs:

In 2019, SALPN's direct cost to carry out program approval responsibilities for the existing and new program was over \$57000. The majority of the costs are related to external expertise acquired and the expenses of the EPAC.

Ongoing oversight costs will incur in 2020 and each year after that. This is a new expense to SALPN as the ongoing oversight did not occur before this time. The SALPN has invested nearly \$20 000 into this process in 2020. As this work evolves, SALPN will likely dedicate more human resources to this process.

Complaints, Investigation, and Discipline Process Responsibilities:

The LPN Act requires that SALPN investigate all complaints received. The Act prescribes a process that SALPN must follow, which includes an investigation and presentation of the investigative finding to a committee also prescribed in the Act called the Counselling and Investigation Committee (C&I). The C&I Committee reviews complaints and the findings of the investigations to determine if the complaints are likely to meet the threshold of what is professional misconduct or professional incompetence. The C&I Committee is authorized to manage each complaint in one of three ways.

1. Dismiss the complaint as it does not meet the threshold of what is professional misconduct or professional incompetence.
2. Refer the complaint to the Discipline Committee to be heard at a Discipline Hearing.
3. Resolve the complaint with an agreement between the LPN, the complainant, and the C&I Committee. The agreement is referred to as an Alternate Dispute Resolution (ADR) and will often subject the LPN to activity or commitments to remediate the issue. The LPN does not have to agree to an ADR. In that case, the complaint is then referred to a discipline hearing.

A discipline hearing takes place in a setting similar to a courtroom. A complaint heard by the Discipline Committee is prosecuted by the C&I Committee. Legal counsel leads the C&I Committee's prosecution. The Discipline Committee, like a tribunal, serves as the decision-making body or the judge. The Discipline Committee hears the case and makes a finding based on the evidence. The Discipline Committee is provided legal counsel as a support to ensure proceedings are according to the principles of administrative law.

The cost of the complaints, investigation, and discipline process has steadily increased in recent years. The direct and indirect costs of the process are highlighted below and show a 178%

increase from 2014-2019. The portion of SALPN’s revenue utilized is an increase from less than ten percent of SALPN’s total revenue to 25%. It has become increasingly difficult to divert funds within the revenue stream to cover these costs.

Fiscal Year	Direct and Indirect Costs of the Complaints Process
2014	\$161 663
2015	\$198 659
2016	\$254 587
2017	\$280 887
2018	\$338 529
2019	\$486 316

Although the Discipline Committee can issue fines and award costs to the SALPN, it is nearly impossible to recover the costs from LPNs engaged in disciplinary matters. Some LPNs are not able to pay the costs and allow them to become outstanding. Currently, over \$30 000 in outstanding fines and awarded costs are in arrears. Others are compliant with payment terms but granted the ability to remit to the SALPN over an extended period aligning with the principles of fairness.

The increasing complexity of the complaints has had a direct impact on the cost of the process. Investigations require lengthier interviews with more people, which results in increased time to develop investigative reports. This also means more time and effort required from the C&I Committee to evaluate evidence and make decisions.

Discipline hearings have become lengthier with complex cases presented before the Committee. Discipline hearings cost the SALPN approximately \$1200 - \$1500 per hour, including the costs of the Committee’s, legal counsels, and the administrative costs such as court reporting and audio services. In 2019, a hearing lasting beyond one full day occurred for the first time in several years.

Both committees and supporting staff are responsible for conducting the process in compliance with the LPN Act and according to the principles of administrative justice to ensure procedural fairness. Processes that are non-compliant with the LPN Act or procedurally unfair create a legal and financial risk to the SALPN. There is a recognition that those carrying out this work require education of greater depth and breadth than previously offered. The SALPN is committed to providing the education required to ensure that committee members and staff are prepared for their roles.

2019 Complaints, Investigation, and Discipline Costs

Committee Costs	\$52 000
Legal Costs	\$236 000

Human Resources	\$198 000
------------------------	-----------

It is a reasonable assumption that if the current trends continue, additional staff or contract support may be required to manage the workload associated with the process.

The Standards of Practice and Ethics of the Profession

Entry-Level Competencies, Standards of Practice, and the Code of Ethics were developed in collaboration with LPN regulators across Canada. The primary reason for collaboration is to ensure compliance with the free trade agreement as it relates to labour mobility across the country. Collaboration also lends itself to cost savings for the participating jurisdictions as costs are shared and determined according to the revenues of each organization. As an example, in 2019, the entry-level competencies of the profession were updated. The total consulting and publishing costs of the project exceeded \$70 000, with SALPN's billed portion being \$2048 plus the expenses related to individual participation (travel and individual time). There is work underway to update the Standards of Practice and the Code of Ethics in 2020 and 2021 with a similar cost-sharing approach to be utilized. SALPN does not have the resources to complete this work independently.

As an addition to the legislated documents, SALPN provides practice guidance documents to help LPNs understand how to meet the requirements of the Standards of Practice and Code of Ethics. The production costs related to research, consultation, and legal review have increased the cost of this process. However, there is hope a proactive approach may help to reduce issues leading to unsafe or unethical practices. The SALPN released six new or updated documents in 2019 with plans for ongoing development into 2020.

Documents Developed or Revised in 2019:

1. SALPN Practice in Saskatchewan
2. Additional Competencies
3. Specialized Areas of Practice
4. Direct Intravenous Push
5. Immunization
6. Central Venous Catheters/Central Lines/Infusion Therapy

Requirements of Licensure and Licensure Renewal Responsibilities

Increases to various service fees were included to cover the human resource and technology costs associated with providing the service. The human resource cost to deliver the associated

services to SALPN applicants is approximately \$130 000 while only about \$80 000 recovered through fees.

A significant portion of the database is to manage the services of registration and licensure. SALPN's accumulated capital investment into the data management system is approximately \$200 000 and depreciates annually. Efficiencies are purchased as capital investments throughout the lifespan of a database. Non-capital costs are related to data management range from \$15 000 - \$30 000 annually and fluctuate according to troubleshooting support required.

The licensure exam was developed for five-year periods in collaboration with other Canadian LPN regulators. Throughout 2019 and 2020, SALPN will be participating in the development of the licensure exam in effect from January 2022-2027. For various reasons, the cost to deliver the exam will increase in the next contract period.

Other Information related to SALPN's Finances:

A "catastrophic" reserve of \$500 000 is in place as a risk management strategy to cover expenses resulting from unpredictable, infrequent, yet possible events. An example is a cost associated with an appeal to the courts of a SALPN issued decision, which is allowable in the LPN Act. An appeal occurred in SALPN's history and depleted SALPN of its funds at that time. It was a major factor in the last series of fee increases between 2004-2010, which saw licensure fees increase from \$180 to the current \$400, an increase of 122%. In today's environment, the costs of an appeal will easily exceed \$500 000. However, the reserve is in place to ensure SALPN can maintain the ability to operate within existing revenues if these circumstances should arise.

The SALPN Council requires the Executive Director to maintain accessible cash equivalent to five months of operating expenses. This policy is a safeguard to ensure SALPN's current financial obligations are met when unexpected cost fluctuations occur, and consideration is applied when accessing capital funds. Examples of cost fluctuations include the management of a technology failure, a financial loss incurred on account of a SALPN hosted event, replacement of a staff member unable to work during a period of illness eligible for sick time benefits, or an unplanned repair or replacement of SALPN property.

SALPN currently does not have any debt. SALPN is committed to contractual obligations related to occupancy and leased equipment.

SALPN strives to maintain human resources (salaries and benefits) costs at less than 50% of the total revenue and has consistently done so. SALPN's human resource costs have fluctuated within a range of only \$29 000 since 2016. (2016 - \$778 826, 2017 -\$760 725, 2018 - \$757 954, and 2019 \$787 804). SALPN invests in the education of our staff. The investment does not only represent the actions of a quality employer but also

develops the competencies and ability of the staff. The cost of contracted support ranges from \$150 -\$400 per hour. It is much more efficient and economical to develop the skills within the organization.

We have provided a comprehensive explanation of SALPN's rising costs and resulting fee increases. To ask additional questions, please email Lynsay Nair at lnair@salpn.com.

Thank you.