

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1787-04
Bill No.: SCS for SB 406
Subject: Boards, Commission, Committees, Councils; Drugs and Controlled Substances; Health Care; Health Care Professionals; Health Dept.; Licenses - Professional; Nurses; Pharmacy; Physicians
Type: Original
Date: March 27, 2009

Bill Summary: Authorizes physician assistants to prescribe controlled substances and modifies the review of advanced practice registered nurses prescribing controlled substances.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$71,659 or \$215,179)	(\$9,090)	(\$43,210)
Total Estimated Net Effect on General Revenue Fund	(\$71,659 or \$215,179)	(\$9,090)	(\$43,210)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Board of Healing Arts	\$0	\$18,500	\$250
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$18,500	\$250

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	1	0.5	0.5
Total Estimated Net Effect on FTE	1	0.5	0.5

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state the State Board of Registration for the Healing Arts estimates applications will begin being received in FY 11 and approximately 370 applicants will apply for certificates of controlled substance prescriptive authority at \$50 per application (370 applicants X \$50 = \$18,500). It is further assumed, five (5) applicants will apply for certificates in FY 12 for revenue of \$250 (5 applicants X \$50 fee). Licensure renewal will begin in FY 13.

The DIFP estimates that it will incur an initial expense for the programming and implementation of this licensure category to the division's licensure system. The DIFP estimates this initial programming will occur in FY 10 and will cost approximately \$540.

Oversight assumes the State Board of Healing Arts Fund can absorb \$540 for programming and implementation of the licensure system for physician assistants to prescribe controlled substances.

Officials from the **Department of Health and Senior Services (DOH)** state additional registration fees for physician assistants will be generated by this legislation. This amount will be received primarily in a three-year cycle due to the three-year term of the registrations issued, except for individuals beginning to practice in Missouri in intervening years. The DOH, Division of Regulation and Licensure, assumes that 10 percent of the total number of physician assistants will qualify and apply for a three-year controlled substances registration in each year. In 2008, there were 559 physician assistant registrations in the state of Missouri. Assuming a 10 percent participation level each year, an additional \$5,040 (56 registrants X \$90 per three-year registration) would be generated through fees for controlled substances registration and deposited into the General Revenue Fund.

Office of Administration (COA), Information Technology Services Division (ITSD) Costs:

ITSD assumes one-time consultant costs for analysis, design development, testing, and implementation of the needed medications to collect and store the data will cost \$143,520. Since funding for consultant costs is contingent upon whether COA-ITSD's new decision is funded to implement SB 724 (2008), DOH assumes a range of cost from \$0 to \$143,520 for this component.

COA-ITSD also assumes the project will require the need for one Computer Information Technology Specialist I to provide project management, development support, and administration maintenance of the application. This position would require one full-time staff the first year, and

ASSUMPTION (continued)

then reduced to half of a full-time position in subsequent years for ongoing maintenance to the application. This FTE is necessary even if the new decision item to implement SB 724 is funded, as this FTE will be needed to make additional system modifications to add physician assistants and provide support for the system. Standard expense and equipment costs are included for this FTE.

Based on additional discussions with DIFP and DOH staff, **Oversight** assumes 370 physician assistants will apply for certification to prescribe controlled substances. Therefore, DOH registration fees will be reported as \$33,300 (370 registrants X \$90 registration fee) for FY 11 and \$450 (5 registrants X \$90 registration fee) for FY 12. Since DIFP assumes certifications will not begin until FY 11, it is assumed there will be no registration fees for DOH in FY 10.

Oversight assumes the DOH would not need additional rental space for 1 FTE.

This proposal will result in an increase in total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE FUND			
<u>Income - DOH</u>			
Controlled substance registration fees	\$0	\$33,300	\$450
<u>Costs - DOH</u>			
Personal service costs	(\$40,500)	(\$25,029)	(\$25,780)
Fringe benefits	(\$19,695)	(\$12,172)	(\$12,537)
Equipment and expense	(\$11,464)	(\$5,189)	(\$5,343)
Consultant costs	(\$0 or \$143,520)	\$0	\$0
Total <u>Costs</u> - DOH	<u>(\$71,659 or \$215,179)</u>	<u>(\$42,390)</u>	<u>(\$43,660)</u>
FTE Change - DOH	1.0 FTE	0.5 FTE	0.5 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$71,659 or \$215,179)</u>	<u>(\$9,090)</u>	<u>(\$43,210)</u>
Estimated Net FTE Change for General Revenue Fund	1.0 FTE	0.5 FTE	0.5 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
STATE BOARD OF HEALING ARTS FUND			
<u>Income - DIFP</u>			
Licensure fees	<u>\$0</u>	<u>\$18,500</u>	<u>\$250</u>
ESTIMATED NET EFFECT ON STATE BOARD OF HEALING ARTS FUND	<u>\$0</u>	<u>\$18,500</u>	<u>\$250</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business health care providers may be negatively impacted if they pay for certification fees and controlled substance registration fees to the State and U.S. Drug Enforcement Administration for physician assistants obtaining controlled substance prescriptive authority.

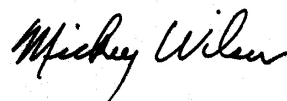
FISCAL DESCRIPTION

This proposal authorizes physician assistants who meet certain requirements to prescribe Schedule III, IV, or V controlled substances.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services



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