

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6661-01
Bill No.: SB 1114
Subject: Professional Registration and Licensing; Boards, Commissions, Committees and Councils; Health Care; Health Care Professionals; Department of Insurance, Financial Institutions and Professional Registration; Physicians
Type: Original
Date: April 1, 2016

Bill Summary: This proposal licenses persons performing radiologic imaging or administering radiation therapy and establishes the Missouri Radiologic Imaging and Radiation Therapy Board of Examiners.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Board of Healing Arts Fund	(\$919,526)	\$1,118,631	(\$578,222)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$919,526)	\$1,118,631	(\$578,222)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Board of Healing Arts Fund	6	6	6
Total Estimated Net Effect on FTE	6	6	6

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to a similar proposal, HB 2613, from this session, officials from the **Department of Insurance, Financial Institutions and Professional Registration** stated based on information received from a representative of the group seeking legislation, the division estimates that 29,000 individuals in the state of Missouri will initially be required to be licensed. In addition, a 3% growth has been estimated. A board of similar size, 29,000, is the Board of Pharmacy.

The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board.

- 4 Processing Technician II** needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations. (Annual Salary: \$26,652)

- 1 Legal Counsel** is needed to work with establishing rules for licensure and enforcement and as well as answering questions regarding applications and litigating cases before the board and the administrative hearing commission (AHC). Due to the anticipated workload of legal counsel with the implementation of assistant physician licensure, it is believed additional legal counsel will be needed to assist the board in promulgating rules for the licensure under this legislation, reviewing applications for licensure and litigating cases before the AHC. (Annual Salary: \$55,500)

- 1 Senior Office Support Assistant** is needed to assist with board meetings and conference call and for drafting of rules and applications and to maintain mailing lists. (Annual Salary: \$25,824)

- 9 Board Member Per Diem** - Board members receive a \$70 per diem and board

ASSUMPTION (continued)

meetings are for 2 days and occur 2 times per year. ($\$70 \times 2 \times 2 = \280)

Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as costs associated with mailings associated with initial licensure. Subsequent year's printing and postage is based on a board of similar size.

29,000	Number of Licensees
<u>\$ 12.50</u>	<u>Postage and Printing Costs</u>
\$362,500.00	Total FY17 Printing and Postage Expense
\$46,507.00	FY18 and FY19 Printing and Postage Expense

Board Meetings

9	Number of Board Members
<u>\$259.00</u>	<u>Meeting Expenses per Member</u>
\$2,331.00	Total Meeting Expenses per Board Meeting

During the first year of implementation, costs are calculated for the design, program, and implementation of the licensure program for new boards.

18	Hours for design, program, and implementation
<u>\$30.00</u>	<u>Cost per hour</u>
\$540.00	Total Licensure System Costs

Based on a board of similar size, it is estimated that the board will receive approximately 83 complaints. The division does not anticipate receiving any complaints until FY18. It is estimated that 30% of the complaints filed would require field investigations. It is estimated that 50% of the complaints that are investigated would require an investigator to incur overnight expenses.

Therefore, the following travel expenses have been calculated for investigations:

13	No. of Anticipated Investigations Requiring Overnight Stay
<u>\$157.00</u>	<u>Cost Per Investigation</u>
\$2,041.00	Annual Investigative Expenses

Boards within the division incur division-wide expenses based on specific board licensee

ASSUMPTION (continued)

averages, in addition to the department and Office of Administration cost allocations plans.

The following expenses are based on a board of similar size and will not require additional appropriation for the PR Transfer Core budget; however, these costs will be considered in calculating the anticipated license and renewal fees.

\$61,784.00	Maintenance of Licensing System
\$27,333.00	Division Operating Expenses
\$127,043.00	Division Personal Service Expenses
\$13,687.00	Department Cost Allocation
\$-	<u>Office of Administration Cost Allocation</u>
\$229,847.00	Total of Additional Expenses

Cost are calculated for services provided to the division by Attorney General's Office and the Administrative Hearing Commission. It is anticipated these costs will be incurred from the Attorney General's Office and the Administrative Hearing Commission in FY 2017. Estimates are based on a board of similar size.

\$15,997.00	Attorney General's Office
<u>\$ 5,595.00</u>	<u>Administrative Hearing Commission</u>
\$21,592.00	Total AG and AHC Expenses

The projected revenue reflects the fees listed below for all categories of licensure. In addition, a 3% growth rate has been estimated. It is estimated that the collection of initial license fees will begin in FY18 and renewal fees will not be collected until FY19. It is also important to note, that once the fees for the board are established by rule other fees could offset the estimated costs.

Initial License Fees	Fee: \$60.00	Renewal: X	Biennial
Revenue/Fees/Renewal Cycle:	Fee: \$60.00		Annual

It is assumed that all fees collected would be deposited into the board of registration for the healing arts fund and that all expenses would be paid out of that fund. It is assumed no revenue will be generated in the first year. However, should the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
BOARD OF HEALING ARTS FUND			
<u>Revenue - Licensing Fees</u>	\$0	\$1,740,000	\$52,200
<u>Costs - DIFP</u>			
Salaries	(\$159,130)	(\$192,331)	(\$194,229)
Fringe Benefits	(\$93,246)	(\$112,408)	(\$112,927)
Equipment and Expense	(\$415,711)	(\$58,905)	(\$59,098)
Other Fund Costs	(\$251,439)	(\$257,725)	(\$264,168)
<u>Total Costs - DIFP</u>	<u>(\$919,526)</u>	<u>(\$621,369)</u>	<u>(\$630,422)</u>
FTE Change - DIFP	6 FTE	6 FTE	6 FTE
ESTIMATED NET EFFECT ON BOARD OF HEALING ARTS FUND	<u>(\$919,526)</u>	<u>\$1,118,631</u>	<u>(\$578,222)</u>
Estimated Net FTE Change on the Board of Healing Arts Fund	6 FTE	6 FTE	6 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This will require persons performing radiologic imaging or administering radiation therapy to be licensed.

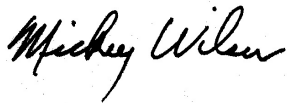
FISCAL DESCRIPTION

Beginning on October 1, 2017, this proposal prohibits a person from performing radiologic imaging or administering radiation therapy procedures unless the person is licensed by the Missouri Radiologic Imaging and Radiation Therapy Board of Examiners within the Board of Registration for the Healing Arts, as established by the proposal.

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



Mickey Wilson, CPA
Director
April 1, 2016

Ross Strobe
Assistant Director
April 1, 2016