

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0840-02  
Bill No.: HCS for SB 204  
Subject: Professional Registration and Licensing  
Type: Original  
Date: May 8, 2019

---

Bill Summary: This proposal modifies provisions relating to professional licensure.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$59,412)	(\$35,135)	(\$35,873)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$59,412)</b>	<b>(\$35,135)</b>	<b>(\$35,873)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Various DIFP Funds	(Unknown)	(Unknown)	(Unknown)
State Committee of Psychologists Fund (0580)	Up to \$5,000	Up to \$6,000	Up to \$6,000
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Unknown) to Up to \$5,000</b>	<b>(Unknown) to Up to \$6,000</b>	<b>(Unknown) to Up to \$6,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 11 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Federal Funds	\$0 to (\$77,951)	\$0 to (\$84,536)	\$0 to (\$85,325)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0 to (\$77,951)</b>	<b>\$0 to (\$84,536)</b>	<b>\$0 to (\$85,325)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Federal Funds	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 to 1 FTE</b>	<b>0 to 1 FTE</b>	<b>0 to 1 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

§§193.015, 195.100, 334.037, 334.104, 334.108, 334.735, 334.736, 334.747, 334.749, 338.010, 630.175, 630.875 - Physician Assistants and Collaborating Physicians

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** stated the bill is anticipated to have no fiscal impact to the DIFP. However, should the extent of the work be more than anticipated, the DIFP would request additional appropriation and/or FTE through the budget process.

**Oversight** does not have any information to the contrary. Therefore, Oversight will assume DIFP has sufficient existing staff and resources available to perform the additional duties required by this proposal and will reflect no fiscal impact for these sections to the DIFP for fiscal note purposes.

In response to a similar proposal from this year (HB 840), **Oversight** notes that the **Department of Health and Senior Services**, the **Department of Mental Health** and the **Department of Social Services** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

§324.009 - Professional Licensing Reciprocity

In response to a similar proposal from this year (HB 1140), officials from the **Department of Health and Senior Services (DHSS)** assumed the proposed legislation revises the professional licensing reciprocity criteria necessary to qualify for a license in the state of Missouri, including nonresident military spouses. Applicants applying for licensure under the proposed legislation would fall under the same reciprocity process, fee, and review as current applicants. Changing regulations and applicant licensure reviews are within the normal ebb and flow for the Department, so minimal time and expense will be required to conduct the requirements of the proposed legislation.

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify specific funding sources.

ASSUMPTION (continued)

**Oversight** notes that the DHSS has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for the DHSS.

§324.025 - Expanded Workforce Access Act of 2019

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume this proposal establishes the Expanded Workforce Access Act of 2019. The fiscal impact is unknown to various DIFP funds depending upon the type of apprenticeships developed by state agencies or other licensing authorities and the extent of work that is demanded of the Division of Professional Registration.

**Oversight** will reflect an unknown cost to various DIFP funds.

In response to a similar proposal from this year (HB 470), officials from the **Department of Economic Development - Division of Workforce Development (DWD)** assumed this proposal creates the "Expanded Workforce Access Act of 2019" stating that, within the parameters established under the federal Labor Standards for the Registration of Apprenticeship Programs, each state licensing authority shall grant a license to applicants that successfully complete the eighth grade, complete an apprenticeship approved by the Division of Professional Registration or US Department of Labor or otherwise permitted under state or federal law and have passed an examination by the appropriate licensing authority.

While DWD is not the licensing authority, DWD may be required to work with the Division of Professional Registration or other agencies to ensure individuals completing the approved apprenticeships receive their licenses. Therefore, DWD is estimating the need for 1 additional FTE (Workforce Development Specialist IV) at an annual salary of \$51,108. This would be a cost to federal funds.

**Oversight** will reflect a potential cost to Federal Funds of \$77,951 in FY 2020, \$84,536 in FY 2021, \$85,325 and FY 2022.

**Oversight** assumes Department of Economic Development - Division of Workforce Development (DED-DWD) could absorb some of the additional duties without adding an FTE; however, DED-DWD has stated due to current workload, these cost cannot be absorbed. Therefore, Oversight will range the cost from \$0 (FTE can be absorbed) to the estimated provided by DED-DWD (FTE is not absorbed) to Federal Funds.

ASSUMPTION (continued)

In response to a similar proposal from this year (HB 470), officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DHSS)** stated that this legislation allows an applicant to receive a license to practice an occupation, profession, or activity in Missouri under specified criteria through an apprenticeship program.

The nursing home administrator applicant applying for licensure through apprenticeship would be treated as other applicants through the same application, office process, fee, and Board of Nursing Home Administrators' review to determine if the applicant meets the apprenticeship track for administrator licensure. DHSS does not anticipate an increase in applicants due to nursing home administrators obtaining licensure through an apprenticeship program.

§324.025.5

DHSS states that this section references the promulgation of rules and regulations. It is assumed it will take a Principal Assistant Board/Commission (salary \$51,658) approximately 16 hours make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.01 FTE to assume these duties ( $16 \text{ hours} \div 2,080 \text{ hours per year} = 0.01$ ) for a total personal service cost of \$517 ( $\$51,658 \times 0.01$ ) for FY20.

**Oversight** assumes DHSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DHSS could absorb the costs related to this proposal with current resources; however, if multiple bills pass the cumulative impact may require additional FTE.

**Oversight** notes that the DHSS could absorb costs related to the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for DHSS on the fiscal note.

§324.035 - Continuing Education Classes

Officials from the **Department of Insurance, Financial Institutions and Professional Registration - Division of Professional Registration (DIFP)** state that the DIFP does not anticipate any fiscal impact from the provisions of the bill. The division believes offering training helps keep licensees compliant with laws and regulations. As an example, the state's Committee of Psychologists saw a tangible decrease in complaints after offering continuing education (CE) course for licensees. Should the number of complaints and investigations rise, the department may need to request additional appropriation and FTE through the budget process.

ASSUMPTION (continued)

**Oversight** notes that the DIFP has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency for this section.

§§334.506 & 334.613 - Allows Physical Therapists to Treat Patients Without a Prescription

Officials from the **Department of Social Services (DSS)** assume this bill allows physical therapists to treat patients without a prescription.

Currently, physical therapy services must be prescribed by a primary care provider and are only a covered benefit for children in Managed Care. Additionally, any service included in the Individualized Education Program (IEP) developed through the public school is covered through Fee-For-Service.

MO HealthNet's requirement for medical necessity of physical therapy services would be impacted if the need for prescription and referral by a primary care provider (or specialist) were removed. By removing this connection to the primary care/specialist provider, utilization for these services will inevitably increase over time due to provider-induced demand, potential for over treatment (due to lack of utilization controls), and difficulty in enforcement. In addition, utilization increases may be expected based on the use of in-office ancillary. Without the need for a script or other utilization control, utilization increases may be anticipated as clinicians have the ability to bill up to ten visits before they must seek further consult, and without an enforcement process, it is assumed this type of behavior will increase.

It is assumed that the Managed Care capitation rates would increase at least \$100,000 per year based on this legislation. For FY21 and FY22, a 2.4% medical inflation rate was used. Mo HealthNet estimates the actuarial cost to evaluate this program change to the Managed Care capitation rates to be no more than \$50,000.

In response to a similar proposal from this year (HB 410), officials from the **Department of Health and Senior Services**, and the **Department of Insurance, Financial Institutions and Professional Registration** each assumed the proposal will have no fiscal impact on their organization.

**Oversight** notes that the Department of Insurance, Financial Institutions and Professional Registration, and the Department of Health and Senior Services have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for these agencies on the fiscal note.

ASSUMPTION (continued)

§§337.020 and 337.029 - Psychologist Licensees

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume this proposal removes language that was inadvertently left in a bill that passed in 2018. Currently, the State Committee of Psychologists' license processing time is being extended by the inadvertent language. This additional time and effort is increasing the committee's costs. DIFP estimates 40 applications a year are processed and not approved, which would be a \$6,000 per year loss of income to the State Committee of Psychologists Fund for work done to process applications.

If the proposed legislation does not pass and the increased costs remain, the State Committee of Psychologists will need to increase their fees to correlate with the increased processing time and effort. The proposed legislation itself will cause no fiscal impact to the department, but prevent future costs to committee licensees.

**Oversight** will assume removing this fee exemption may impact behavior and result in fewer non qualified applications from being submitted. Therefore, Oversight will reflect up to \$6,000 of additional annual application fee revenue to the State Committee of Psychologists Fund.

§442.135 - Deed Conveying Real Estate

In response to a similar proposal from this year (HB 770), officials from **St. Louis County, Greene County, the Monroe County Assessor** and the **Mississippi County Recorder of Deeds** each assumed no fiscal impact to their respective entities from this proposal.

**Oversight** notes that the above mentioned organizations have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other counties and recorder of deeds offices were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

ASSUMPTION (continued)

Bill as a whole

Officials from the **Office of the Secretary of State (SOS)** assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Department of Natural Resources**, the **Department of Transportation**, the **Department of Revenue**, the **Department of Agriculture**, the **Department of Public Safety - Missouri Highway Patrol**, the **Office of Administration - Administrative Hearing Commission**, the **Missouri Consolidated Health Care Plan** and the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for these agencies on the fiscal note.



FISCAL IMPACT - State Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
Cost - DSS (§§334.506 & 334.613) p. 6 Increase in Managed Care Capitation Rates - physical therapists allowed to treat patients w/o a prescription (state portion) Actuarial Study (state portion)	(\$34,412)    (\$25,000)	(\$35,238)    \$0	(\$36,084)    \$0
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>(\$59,412)</b>	<b>(\$35,135)</b>	<b>(\$35,873)</b>
<b>VARIOUS DIFP FUNDS</b>			
Cost - DIFP (§324.025) p. 4 Potential increase in work depending on apprenticeships developed	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT TO VARIOUS DIFP FUNDS</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>
<b>FEDERAL FUNDS</b>			
Revenue - DSS (§§334.506 & 334.613) Increase in Managed Care Capitation Rates p. 6 Actuarial Study p. 6	\$65,588   \$25,000	\$66,965   \$0	\$68,371   \$0
Cost - DSS (§§334.506 & 334.613) Increase in Managed Care Capitation Rates (federal portion) Actuarial Study (federal portion)	(\$65,588)   (\$25,000)	(\$66,965)   \$0	(\$68,371)   \$0



## FISCAL DESCRIPTION

This proposal modifies provisions relating to professional licensure.

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 Mental Health  
Department of Health and Senior Services  
Department of Social Services  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
Department of Revenue  
Department of Natural Resources  
Department of Agriculture  
Department of Transportation  
Department of Public Safety - Missouri Highway Patrol  
Office of Administration - Administrative Hearing Commission  
Missouri Consolidated Health Care Plan  
State Tax Commission  
St. Louis County  
Greene County  
Monroe County Assessors Office  
Mississippi County Recorder of Deeds



Kyle Rieman  
Director  
May 8, 2019

Ross Strope  
Assistant Director  
May 8, 2019