

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1619-04
Bill No.: SCS for SB 303
Subject: Boards, Commissions, Committees and Councils; Healthcare; Health Care Professionals; Physicians; Professional Registration and Licensing
Type: Original
Date: April 4, 2019

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 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Healing Arts Fund (0634)	(\$1,101,758)	\$0	\$0
Radiologic Imaging & Radiation Therapy Fund	\$0	\$1,517,945	(\$745,165)
Total Estimated Net Effect on Other State Funds	(\$1,101,758)	\$1,517,945	(\$745,165)

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Healing Arts Fund	7 FTE	7 FTE	7 FTE
Total Estimated Net Effect on FTE	7 FTE	7 FTE	7 FTE

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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume the following:

Licensee/Revenue

29,000	Estimated Licensees
\$80.00	Initial License Fee
\$80.00	Renewal License Fee
Biennial	Renewal Cycle

- In the current language of this proposed legislation, an individual is required to register with the department according to the provisions of section 334.1000;
- Projected revenue reflects fees collected for all categories of licensure;
- A 3% growth rate has been estimated (870 additional initial licensees each year);
- It is estimated that the collection of initial license fees will begin in FY 2021 and renewal fees will not be collected until FY 2023; and
- If the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly

DIFP estimates a total revenue of \$2,320,000 (29,000 licensees * \$80 fee) in FY 2021 and \$69,600 (870 licensees * \$80 fee) in FY 2022.

The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board and to assist in calculating the anticipated license and renewal fees.

Staffing

1 Legal Counsel (\$61,165/annually) 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).

1 Paralegal (\$35,900/annually) is needed to assist legal counsel with litigation preparation and drafting rules.

ASSUMPTION (continued)

4 Processing Technicians II (\$29,388 each/ annually) are needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations.

1 Investigator II (\$45,000/annually) is needed to conduct investigations and inspections, serve notices, and gather information required by the board.

7 Board Member Per Diem. Board members receive a \$70 per diem and board meeting are for 1 day and occur 4 times a year. ($\$70 \times 1 \times 4 = \280) ($\$280 \times 7 = \$1,960$.)

Complaints and Investigations

It is estimated the board will receive approximately 126 complaints. The division does not anticipate receiving any complaints until FY 2021. It is estimated 30% of the complaints filed will require field investigations with 50% requiring overnight travel. A car is needed to conduct investigations and will need to be eventually replaced based upon usage. Therefore, the vehicle cost is considered an ongoing expense and appropriation need

In summary, DIFP assumes a cost of \$1,101,758 in FY 2020, \$802,053 in FY 2021 and \$814,765 in FY 2022 to the Board of Regulation for Healing Arts Fund to provide for the implementation of the changes in this proposal.

Oversight assumes revenue generated as a result of this proposal will be deposited into the Radiologic Imaging and Radiation Therapy Fund. Oversight also assumes any cost to the Board of Regulation for Healing Arts Fund will be reimbursed by the Radiologic Imaging and Radiation Therapy Fund. Since the Radiologic Imaging and Radiation Therapy Fund is a newly created fund, Oversight will not reflect a transfer of cost to the Regulation for Healing Arts Fund in FY 2020.

Oversight notes that the Board of Registration for the Healing Arts Fund has a balance of \$10,786,664 as of February 28, 2019. Oversight assumes the fund balance will be sufficient to cover the cost of this proposal in FY 2020 (as no fees will be collected until FY 2021).

ASSUMPTION (continued)

Officials from the **Department of Revenue**, the **Office of the State Treasurer**, the **Department of Corrections**, the **Office of the State Courts Administrator**, the **Office of the State Public Defender**, the **Department of Public Safety - Missouri Highway Patrol** and the **Office of Prosecution Services** 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 on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
BOARD OF REGULATION FOR HEALING ARTS FUND			
<u>Transfer In</u> - from the Radiologic Imaging and Radiation Therapy Fund	\$0	\$802,053	\$814,765
<u>Cost - DIFP</u>			
Salaries	(\$216,348)	(\$262,213)	(\$264,835)
Fringe Benefits	(\$139,491)	(\$168,180)	(\$168,979)
Equipment and Expense	(\$459,690)	(\$78,276)	(\$80,233)
Other Fund Cost	(\$286,229)	(\$293,384)	(\$300,718)
<u>Total Cost - DIFP</u>	<u>(\$1,101,758)</u>	<u>(\$802,053)</u>	<u>(\$814,765)</u>
FTE Change - DIFP	7 FTE	7 FTE	7 FTE
ESTIMATED NET EFFECT TO THE BOARD OF REGULATION FOR HEALING ARTS FUND	<u>(\$1,101,758)</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change to the Board of Regulation for Healing Arts Fund	7 FTE	7 FTE	7 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2020 (10 Mo.)	FY 2021	FY 2022
RADIOLOGIC IMAGING AND RADIATION THERAPY FUND			
<u>Revenue</u> - DIFP \$80 License & Renewal Fee (biennial)	\$0	\$2,320,000	\$69,600
<u>Transfer Out</u> - to the Board of Regulation for Healing Arts Fund	<u>\$0</u>	<u>(\$802,053)</u>	<u>(\$814,765)</u>
ESTIMATED NET EFFECT TO THE RADIOLOGIC IMAGING AND RADIATION THERAPY FUND	<u>\$0</u>	<u>\$1,517,947</u>	<u>(\$745,165)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a fiscal impact on Radiologic Imaging and radiation therapy small businesses.

FISCAL DESCRIPTION

After January 1, 2020, this act requires licensure by the State Board of Registration for the Healing Arts in order to perform radiologic imaging or radiation therapy procedures on humans for diagnostic or therapeutic purposes. The act authorizes the Board to establish licensure and scope of practice standards for any person performing nuclear medicine technology, radiation therapy, radiography, and radiologist assistant procedures and to limited x-ray machine operators. This act creates the Radiologic Imaging and Radiation Therapy Advisory Committee, which shall guide, advise, and make recommendations to the Board in matters relating to radiologic imaging and radiation therapy.

FISCAL DESCRIPTION (continued)

The Board has the power to: establish scopes of practice for limited licensees, promulgate rules and establish minimum requirements for the issuance of licenses, establish minimum requirements for continuing education, charge and collect fees, promulgate rules for the denial, suspension, revocation, or refusal to renew a license, create alternative licensure requirements for individuals working in rural areas and for remote areas of the state, and other actions as described in the act.

A person who violates any provision of the act shall be guilty of a class A misdemeanor. The Board may assess a civil penalty after factors set forth in the act are considered. The proceeds of any civil penalty assessed shall be remitted to the credit of the public school fund of the state.

Someone currently engaged in the practice of radiologic imaging and radiation therapy may be exempted from the licensure requirement, if he or she complies with specific requirements as described in the act.

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 Revenue
Office of the State Treasurer
Department of Corrections
Office of the State Courts Administrator
Office of the State Public Defender
Department of Public Safety
Missouri Highway Patrol
Office of Prosecution Services



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April 4, 2019

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April 4, 2019