

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 4078-01  
BILL NO. SB 874  
SUBJECT: Health Care; Medical Procedures and Personnel  
TYPE: Original  
DATE: February 22, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Bd. Of Registration for the Healing Arts	(\$23,898)	(\$25,255)	(\$25,886)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$23,898)</b>	<b>(\$25,255)</b>	<b>(\$25,886)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (DPR)** assume the proposed legislation would result in an increase in workload due to approximately 188 supervision agreements submitted annually for review by the Board of Healing Arts. DPR assumes the need for a .5 Investigator II (.5 FTE at \$36,648 per year) to routinely audit and review each physician agreement and the documentation of the joint review of practice. It is estimated that each review will take approximately 6 - 8 hours each (188 licensees x 6 hours = 1,128 hours). It is assumed that the audits and reviews can be conducted in the board office. However, if travel is required, additional expense and equipment costs will be needed.

The associated costs will be paid from the Board of Registration for the Healing Arts fund.  
 NOTE: A license fee increase for physician assistants may be necessary to cover the costs associated with this proposal.

Officials from the **Department of Social Services (DOS)** assume the proposed legislation would have no fiscal impact on its agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

**BOARD OF REGISTRATION FOR  
 THE HEALING ARTS FUND**

<u>Costs-Division of Professional Registration (DPR)</u>			
Personal Service (.5 FTE)	(\$15,574)	(\$19,157)	(\$19,636)
Fringe Benefits	(4,789)	(5,891)	(6,038)
Expense and Equipment	(3,535)	(207)	(212)
Total <u>Costs</u> - DPR	(\$23,898)	(\$25,255)	(\$25,886)

<b>ESTIMATED NET EFFECT TO    BOARD OF REGISTRATION FOR    THE HEALING ARTS FUND</b>	<b><u>(\$23,898)</u></b>	<b><u>(\$25,255)</u></b>	<b><u>(\$25,886)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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It is expected that small businesses could have a direct fiscal impact as a result of this proposal.

### DESCRIPTION

This act modifies the regulation and supervision of physician assistants. Section 334.735 currently outlines the duties of physician assistants (PA). This bill modifies the definition of "supervision" to require that there be "direct, on-site" control in the same office where a physician is present.

A new subsection 3 is added to Section 334.735 and states that no PA may perform any of the procedures listed in Section 334.735 on a new patient without the prior examination, evaluation, and diagnosis of the supervising physician. For the treatment of existing patients, the PA must obtain prior approval through a documented order, signed and dated by the physician. Any PA practicing under a physician supervision agreement must notify the Board of Registration for the Healing Arts in order for the Board to track the agreement and make it available to the public.

The current subsection 8 of Section 334.735, which deals with certain physician supervision agreements is deleted. Language is added requiring PAs to carry individual liability insurance in an amount no less than \$1 million dollars. Finally, a new subsection 10 is added to state that it will be against public policy to make contracts or agreements that require a physician to supervise a PA without also providing a right to refuse supervision if the PA is not believed to be appropriately competent.

This proposal would not affect Total State Revenues.

### SOURCES OF INFORMATION

Department of Economic Development - Division of Professional Registration  
Department of Social Services



Jeanne Jarrett, CPA  
Director  
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