

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0906-01
Bill No.: SB 327
Subject: Health Care; Health Care Professionals; Medical Procedures & Personnel;
 Licenses–Miscellaneous; DED
Type: Original
Date: February 12, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0	\$5,610	\$7,041
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$5,610	\$7,041

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (DPR)** assume the proposed legislation would result in the potential licensure of 171 Naturopathic Physicians, based on an average licensee count for the 13 states in the nation that have licensure for the practice of naturopathic medicine. DPR has projected a fee of \$500 for initial licensure and annual renewal, which would yield revenue of \$85,500. DPR assumes the program will not receive appropriations until FY 2003, at which time licensing would commence. Based on revised cost estimates, **Oversight** assumes the fee could be set at \$350, which would yield revenues of \$59,850.

DPR assumes fees collected would be deposited into the General Revenue Fund and expenses paid would be from the General Revenue Fund, since this proposal establishes no fund for Naturopathic Physicians.

DPR is requesting an additional 1 FTE, consisting a .5 Executive Director and a .5 Licensing Technician to carry out duties generated by this proposal. These staff needs are different than those in a similar previous proposal due to the fact this Advisory Committee is not being placed under an existing licensing board, but will be independent. However, **Oversight** has maintained DPR's staff needs in the similar previous proposal and has calculated costs based on those assumptions. In the similar previous proposal, the DPR stated they would need .75 FTE to carry out the duties generated by the proposal. These would include a .5 Licensure Technician II (.5 FTE at \$24,492 per year) to process applications for licensure, as well as respond to any inquiries relating to the licensure law or rules and regulations and a .25 Investigator II (.25 FTE at \$37,488 per year) to assist in conducting investigations.

Office space for the additional employees is estimated by DPR to cost an additional \$2,700 annually. **Oversight** assumes that any new employees will be located in existing space.

This proposal does not establish any per diem or reimbursement for Advisory Committee members. Therefore, DPR has not included expenses associated with the Committee.

DPR estimates first year postage and printing costs for statute and rule mailings to applicants and for first year start up printing of rules and applications to be \$1,058. It is estimated that postage and printing costs for subsequent years would be \$1,000

Based on FY 99 complaints for an agency of similar type, the DPR assumes there would be seven complaints each year and that complaints and investigations would not begin until FY 2004. It is estimated that all complaints would require investigation and would entail approximately 30 hours of field work, resulting in annual investigative travel expense of \$1,785.

DESCRIPTION (continued)

It is assumed the Office of the Attorney General (AGO) would provide approximately 60 hours of assistance per year with rules, opinions and meetings. Based on an hourly cost of \$60.87, the annual total would be \$3,652. Also, it is estimated that one case per year would be forwarded to the AGO for further action, at a cost of \$5,400 per case. It is assumed there would not be any cases until FY 2004.

It is assumed that programming and implementation of a computer licensure program would require eight hours at \$21.65 per hour, for a cost of \$173.

It is assumed a national examination will be utilized for examinations. However, if the Board elects to develop its own examination, the cost is estimated between \$10,000 and \$50,000.

The **Division of Professional Registration** and the **Department of Economic Development** require individual licensing boards to reimburse the administrative sections of the agencies for administrative costs based on the percentage of licensees served by the board, with a minimum of one-half of one percent to be assessed. This board will be assessed the minimum share for their 171 licensees, which amounts to \$10,644 annually.

This bill creates the Missouri Naturopathic Advisory Committee and allows for certification of naturopathic practitioners. Officials from the **Office of the Secretary of State (SOS)** assume the Department of Economic Development will promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development could require as many as 24 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register in the Code because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

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 request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue**, the **Department of Health**, the **Office of the Attorney General**, the **Office of Administration - Administrative Hearing Commission**, and the **Office of State Courts Administrator** assume the proposed legislation would have minimal or no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
Revenue—DPR			
License Fees/Renewals	\$0	\$59,850	\$61,646
Costs—DPR			
Personal Service	\$0	(\$22,712)	(\$23,280)
Fringe Benefits	\$0	(\$7,571)	(\$7,759)
Expense & Equipment	\$0	(\$9,378)	(\$3,318)
Other Costs/AGO Costs	<u>\$0</u>	<u>(\$14,579)</u>	<u>(\$20,248)</u>
Total Costs—DPR	\$0	(\$54,240)	(\$54,605)
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>\$0</u>	<u>\$5,610</u>	<u>\$7,041</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will have a direct fiscal impact on small businesses practicing naturopathy.

DESCRIPTION

This act requires all naturopathic practitioners to be certified.

The act defines "naturopathy" as a noninvasive health practice, without the use of surgery or drugs. Naturopathy consists of assessment, education, counseling, and natural health remedies, including the use of foods, vitamins, herbs, and homeopathic remedies, among other treatments. (Section 324.750)

Compliance with this act is required in order to represent oneself as certified to practice naturopathy. Naturopaths are prohibited from performing certain acts, such as administering controlled substances, performing surgery, practicing medicine, or false advertising. (Section 324.753 through 324.759)

DESCRIPTION (continued)

The Department of Economic Development is allowed to develop rules and establish fees to administer the act. (Section 324.762)

Each certified naturopath is required to provide naturopathic clients with a written copy of the naturopathic client bill of rights. A copy must also be posted in the practitioner's office. The bill of rights must include name and title of the practitioner, degrees awarded, a statement that the State has not adopted any training standards for certified naturopaths, complaint procedures, fees, and confidentiality procedures, among other information. (Section 324.765)

All naturopathic clients are required to sign a written statement of receipt of the bill of rights. The Department of Economic Development must issue certificates to practice naturopathy to all persons passing one of the require examinations. (Section 324.768)

This act shall not be construed as interfering with any religious practices or beliefs. (Section 324.771)

The "Missouri Naturopathic Advisory Committee" is created with five members to be appointed by the Department. With exception of the initial appointees, members will hold office for six years. (Section 324.777)

The act contains a severance clause. (Section 324.774) This act is similar to SB 1024 (2000).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements. This proposal will affect Total State Revenue.

SOURCES OF INFORMATION

Department of Economic Development - Division of Professional Registration
Office of Administration - Administrative Hearing Commission
Office of the Secretary of State
Department of Health
Department of Revenue
Office of the Attorney General
Office of State Courts Administrator



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Director
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