

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3453-04
Bill No.: SCS for SB 1085 and 1262
Subject: Health Care; Health–Public; Licenses–Professional; Medical Procedures & Personnel
Type: Original
Date: May 14, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Professional Registration Fees Fund	(\$3,625)	\$3,625	\$0
Board of Naturopathic Medicine Fund	\$0	\$2,361	\$10,226
Total Estimated Net Effect on <u>All</u> State Funds	(\$3,625)	\$5,986	\$10,226

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
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 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Office the State Treasurer, Department of Insurance, Department of Conservation, Office of Administration—Administrative Hearing Commission, Department of Health and Senior Services,** and the **Office of State Courts Administrator** assume the proposal would have no fiscal impact on their agencies.

In response to the introduced version of this proposed legislation, the **Office of the Governor** and the **Office of State Public Defender** indicated there would be no fiscal impact to their respective agencies.

Officials from the **Office of Senate Administration (SEN)** stated that the proposal would have no fiscal impact on their agency and that any associated costs relevant to SEN could be absorbed in current appropriations.

Officials with the **Department of Corrections (DOC)** indicated costs to DOC, as a result of this legislation are unknown, but assumed to be \$0, or a minimal amount that can be absorbed by DOC each year.

Officials with the **Office of Prosecution Services** indicated any costs to prosecutors could be absorbed.

Officials with the **Office of the Secretary of State** assume the State Board of Naturopathic Medicine will promulgate rules to implement this proposed legislation. Based on experience with other divisions, the rules, regulations and forms issued by the State Board of Naturopathic Medicine could require as many as 40 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 \$2,460 estimated for FY 03. 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.

ASSUMPTION (continued)

Officials from the **Department of Economic Development–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. The projected revenue reflects a \$700 annual fee resulting an FY 2004 revenue of \$119,700. A 3% growth rate has been estimated. All monies collected will be deposited in the Board of Naturopathic Medicine Fund. In addition, all expenses will be paid out of the same fund. **Oversight** assumes the \$400 fee estimated by DPR in the introduced version of this proposal which generated FY 2004 revenue of \$68,000 would be sufficient to cover expenses associated with the board.

DPR estimates that a .50 Program Assistant (\$48,240 per year) and a Licensure Technician II (\$24,492 per year) would be needed to handle the licensing program for the practice of naturopathic medicine. These positions will be responsible for processing applications for licensure, coordinating and conducting board meetings, as well as responding to any inquiries relating to the licensure law or rules and regulations. It is also estimated that a .25 Investigator II (\$37,488 per year) is needed to assist in conducting investigations.

Oversight assumes the number of personnel needed to carry out the duties generated by this proposal would be no greater than those needed in the introduced version of this proposal. The number of potential licensees has not increased. DPR requested an additional .75 FTE to carry out the duties generated by this proposal which included a .50 Licensure Technician II and the .25 Investigator II.

DPR assumes the six member board will meet two days per meeting, four times per year with all meetings held in Jefferson City, Mo. Each member will receive a \$50 per diem and expenses. Per diem, mileage, lodging, meals, and expenses are expected to approximate \$12,221 annually.

Printing and postage costs are expected to be \$1,058 (\$6.19 per licensee) annually. It is assumed that existing staff would design, program, and implement a computer licensure program. However, if costs are higher than anticipated, additional monies would be required. Also, DPR assumes that an existing national examination will be utilized. Otherwise, it is estimated between \$10,000 to \$50,000 additional appropriations could be required.

Based on FY 01 complaints for an agency of similar type, the DPR assumes there would be 7 complaints each year and that complaints and investigations would not begin until FY 2005. 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.

ASSUMPTION (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 25% of the investigations would be forwarded to the AGO for further action. It is assumed there would not be any cases until FY 2004. Based on an estimated one case at a cost per case of \$5,400, costs would be \$5,400 in FY 2005 and subsequent years.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
PROFESSIONAL REGISTRATION FEES FUND			
<u>Income</u> —DPR			
Transfer from Board of Naturopathic Medicine Board	\$0	\$66,039	\$60,226
<u>Costs</u> —DPR			
Personal Service (0.75 FTE)	\$0	(\$25,112)	(\$25,680)
Fringe Benefits	\$0	(\$6,163)	(\$6,357)
Equipment & Expense	\$0	(\$27,514)	(\$19,164)
Other Fund Costs/AGO Costs	<u>(\$3,625)</u>	<u>(\$3,625)</u>	<u>(\$9,025)</u>
<u>Total Costs</u> —DPR	(\$3,625)	(\$62,414)	(\$60,226)
ESTIMATED NET EFFECT TO PR FEES FUND	<u>(\$3,625)</u>	<u>\$3,625</u>	<u>\$0</u>
<u>Income</u> - DPR			
Licensure Fees - Renewals	\$0	\$68,400	\$70,452
<u>Cost</u> - DPR			
Transfers to PR Fees Fund	<u>\$0</u>	<u>(\$66,039)</u>	<u>(\$60,226)</u>
ESTIMATED NET EFFECT TO BOARD OF NATUROPATHIC MEDICINE FUND	<u>\$0</u>	<u>\$2,361</u>	<u>\$10,226</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact on naturopathic practitioners.

DESCRIPTION

This proposed legislation provides for the registration and licensure of doctors of naturopathic medicine and creates the State Board of Naturopathic Medicine. The proposal defines naturopathic medicine as "a system of primary health care for the prevention, diagnosis and care of human health conditions, injuries and diseases that uses education and natural substances and remedies to support and stimulate the individual's intrinsic self-processes".

The six member board must adopt rules covering the collection of fees, licensing exams, continuing education, disciplinary procedures, the initiation of naturopathic specialties, determining qualifications, and competency screening of naturopathic medical assistants.

The proposal also contains provisions regarding the examination which must be taken before receiving a license. The board is also allowed to accept exams conducted by a national board of examiners, if the exams include these subjects. The proposal creates a list of persons who are exempt from the licensure requirements.

The Board may seek discipline of a license or to deny a license to an applicant for specified causes, or alternatively issue a restricted or probated license. Further, the Board may seek summary suspension of a license upon meeting certain requirements. The Board has the power to subpoena witnesses and records along with the power to enforce the Board's subpoenas in circuit court.

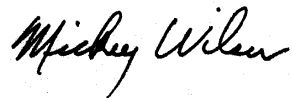
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The legislation would increase state revenue.

SOURCES OF INFORMATION

Department of Economic Development
 Division of Professional Registration
Office of the Secretary of State
 Administrative Rules Division
Office of Administration
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Health
Department of Insurance
Office of the Governor
Office of Prosecution Services
Office of State Public Defender
Office of Senate Administration

NOT RESPONDING

Office of the Attorney General
Missouri Consolidated Health Care Plan



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