

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4924-01
Bill No.: SB 1262
Subject: Health Care Professional; Licenses - Professional; Health Care
Type: Original
Date: March 15, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Board of Healing Arts Fund	(\$3,625)	\$7,057	\$2,170
Total Estimated Net Effect on <u>All</u> State Funds	(\$3,625)	\$7,057	\$2,170

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
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 of the Governor, Department of Insurance, Office of State Public Defender, Office of Administration–Administrative Hearing Commission, Department of Health and Senior Services, Department of Conservation, Missouri Consolidated Health Care Plan,** and the **Office of State Courts Administrator** assume the proposal would have no fiscal impact on their agencies.

In response to similar legislation from this session (SB 1262), officials from the **Department of Health and Senior Services** assumed there would be no fiscal impact to their agency.

Officials with the **Department of Transportation** stated that since this proposed legislation does not expressly require health care plan coverage of services of a naturopathic medical doctor, there will be no fiscal impact to the MHTC or Highway and Patrol Medical Plan.

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.

In response to similar legislation from this session (SB 1262), officials with the **Office of Prosecution Services** indicated any costs to prosecutors could be absorbed.

Officials with the **Office of Attorney General (AGO)** assumed that representing the Board of Naturopathic Medicine in licensure matters would require 0.5 Assistant Attorney General II with associated costs of approximately \$25,000 a year.

Oversight assumes that the AGO will be reimbursed for expenses from the Board of Registration for the Healing Arts Fund.

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.

ASSUMPTION (continued)

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 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 of \$42,750 for FY 04 reflects a \$250 fee which is the maximum amount established by the proposal. A 3% growth rate has been estimated.

DPR assumes all revenues would be paid to and all expenses paid from the Board of Registration for the Healing Arts Fund.

DPR is requesting an additional .75 FTE to carry out the duties generated by this proposal. These would include a 0.5 Licensure Technician II (0.5 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 0.25 Investigator II (0.25 FTE at \$37,488 per year) to assist in conducting investigations.

Oversight assumes with the limited number of investigations estimated, those investigations could be handled with existing resources.

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. Printing and postage costs for subsequent years have been estimated to continue at this amount. 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 in additional appropriations could be requested.

DPR assumes there would be 3 complaints each year and that complaints and investigations would not begin until FY 2005. It is estimated that all complaints would require investigation that would entail approximately 30 hours of field work each, resulting in annual investigative travel expense of \$765.

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
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND			
<u>Income—DPR</u>			
Licensure Fees/Renewals	\$0	\$42,750	\$44,033
<u>Costs—DPR</u>			
Personal Service (0.50 FTE)	\$0	(\$12,866)	(\$13,188)
Fringe Benefits	\$0	(\$4,633)	(\$4,749)
Equipment & Expense	\$0	(\$14,569)	(\$14,901)
Other Fund Costs/AGO Costs	<u>(\$3,625)</u>	<u>(\$3,625)</u>	<u>(\$9,025)</u>
<u>Total Costs—DPR</u>	<u>(\$3,625)</u>	<u>(\$35,693)</u>	<u>(\$41,863)</u>
ESTIMATED NET EFFECT TO HEALING ARTS FUND	<u>(\$3,625)</u>	<u>\$7,057</u>	<u>\$2,170</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 allows certification or licensure for the practice of naturopathic

medicine.

Terms related to naturopathic medicine are defined. The practice of naturopathic medicine without certification or licensure is prohibited under these sections (Section 324.650).

Application procedures are outlined for candidates for licensure as naturopathic medical doctors (Section 324.653).

The State Board of Naturopathic Medicine is established, consisting of six members, including one public member. The Board will retain subpoena power. Any person who reports to the Board in good faith will not be civilly liable (Section 324.656).

Applicants must sit for an examination and must achieve a score of at least 75%. Components of the examination are outlined. The Board may accept an applicant's passage of a substantially similar exam. Physicians and chiropractors may waive the exam requirement if they have obtained an equivalent degree in naturopathic medicine (Section 324.665).

Doctors of naturopathic medicine may dispense a substance or device to a patient under certain circumstances. Before doing so, a written statement must be provided notifying the patient of the option for the prescription to be filled by the naturopath or by a pharmacy (Section 324.674).

Continuing education is required as a condition for license renewal. Procedures for renewal are also outlined (Sections 324.680 and 324.683).

The Board may charge a registration fee (Section 324.686).

The Board may refuse to issue or renew a license or certificate, or issue a license subject to limitations. The Board may file a complaint for certain reasons and administrative hearing provisions will apply. If a revocation occurs, the Board may prohibit reinstatement for two to seven years. During an investigation, the Board may review patient medical records as they relate to the applicant or licensee (Section 324.689).

If a licensee presents a clear and present danger to the public, the Board may suspend or restrict the certificate or license. Administrative hearing provisions will apply (Section 324.695).

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 Economic Development
Division of Professional Registration

LMD:LR:OD (12/01)

Department of Corrections
Office of State Courts Administrator
Office of Secretary of State
 Administrative Rules Division
Department of Insurance
Department of Conservation
Missouri Consolidated Health Care Plan
Department of Transportation
Office of the Governor
Office of Administration
 Administrative Hearing Commission
Office of State Public Defender
Office of Attorney General
Office of Prosecution Services
Department of Health and Senior Services

Not responding

Office of Senate Administration



Mickey Wilson, CPA
Acting Director
March 15, 2002