

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 3057-01
BILL NO. HB 1253
SUBJECT: Health Care; Medical Procedures and Personnel
TYPE: Original
DATE: February 8, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$1,250	\$1,500	\$1,500
Board of Registration for the Healing Arts	\$16,568	(\$27,122)	(\$40,355)
Total Estimated Net Effect on <u>All</u> State Funds	\$17,818	(\$25,622)	(\$38,855)

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

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

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 7 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. The projected revenue reflects a \$250 fee, which is the maximum amount established by statute. Revenue for FY 01 would be \$42,750 (171 x \$250). In addition, a 3% growth rate has been estimated.

The DPR assumes the proposal would result in the licensure of 17 Naturopathic Medical Students, based on an estimated 10% growth rate of Naturopathic Physicians. The projected revenue reflects a \$50 fee annual fee. Revenue for FY 01 would be \$850 (17 x \$50). In addition, a 3% growth rate has been estimated.

The DPR assumes the proposal would result in Post-Graduate Training Certification for 17, based on an estimated 10% growth rate of Naturopathic Physicians. The projected revenue reflects a \$50 fee annual fee. Revenue for FY 01 would be \$850 (17 x \$50). In addition, a 3% growth rate has been estimated.

The DPR assumes the proposal would result in Superficial Surgery Certification for 114, 75% of the Naturopathic Physicians. The projected revenue reflects a \$150 fee with a three year renewal period. Revenue for FY 01 would be \$17,100 (114 x \$150).

The proposal would result in total revenue of \$61,550 in FY 01. All monies collected will be deposited in the Board of Registration for the Healing Arts Fund and all expenses will be paid out of said fund.

NOTE: DPR assumes it is very possible that potential additional revenue can be generated from the certification of Naturopathic Medical Assistants. However, the fiscal impact relating to this particular certification is not reflected below, since it is noted as "voluntary" in the proposal. Additionally, for purposes of this fiscal note, DPR has assumed that a Doctor of Naturopathic Medicine would automatically be authorized to dispense medications. However, if this would be interpreted to be a separate certification, this could also generate additional revenue and increase workload.

DPR is requesting an additional .75 FTE to carry out the duties generated by this proposal. These would include a .5 Licensure Technician II (.5 FTE at \$23,472 per year) to process

ASSUMPTION (continued)

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 \$34,468 per year) to assist in conducting investigations.

It is assumed the Board would initially appoint a subcommittee to promulgate the rules and regulations and develop the application forms. It is estimated the subcommittee would be composed of four board members. The subcommittee would meet approximately six times during FY 01 in Jefferson City, Missouri. Each member of the subcommittee would receive a \$50 per day per diem. The costs associated with the subcommittee would be one-time. Associated travel costs (mileage, lodging and meals) are estimated to be \$6,967.

It is assumed the Board would appoint the Superficial Surgery Review Committee in the second year of operation, once the rules and regulations have been developed. It is estimated the committee would be composed of four board members. The committee would meet approximately four times in Jefferson City, Missouri. Each member of the committee would receive reimbursement for expenses only, resulting in associated travel costs (mileage, lodging and meals) of \$4,645.

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 \$1,055. It is estimated that postage and printing costs for subsequent years would be \$12,250, based on a Board of similar size.

Based on FY 99 complaints for an agency of similar type, the DPR assumes there would be 12 complaints each year and that complaints and investigations would not begin until FY 02. 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 \$3,060.

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 \$59.22, the annual total would be \$3,553. 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 02. Based on an estimated three cases (12 investigations x 25%) and a cost per case of \$5,400, costs would be \$16,200 in FY 02 and subsequent years.

It is assumed that existing staff would design, program, and implement a computer licensure program. However, if costs are higher than anticipated, further monies would be required.

ASSUMPTION (continued)

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.

Officials from the **Department of Health (DOH)** assume the proposal would result in additional revenue through registration fees. Any person licensed as a "Naturopath" who wishes to utilize controlled substances in their profession would be required to register with DOH. The fee is \$30 annually and goes to General Revenue. DOH estimates the number of individuals wishing to register to be minimal (possibly 50 applicants) and estimates the workload associated with this proposal to be minimal. Annual revenue is projected to be \$1,500 (50 applicants x \$30).

Officials from the **Office of the Secretary of State (SOS)** assume the proposed legislation would require the printing of additional pages in the *Missouri Register* and the *Code of State Regulations* and have estimated a publishing cost of \$2,651 for FY 01. Additionally, future costs are unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

While this bill alone would not require SOS to acquire additional staff, SOS assumes the cumulative effect of additional Register and Code publishing duties could, at some point, require additional staff. **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 appropriations process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of the Attorney General (AGO)** assume any costs generated as a result of this proposal could be absorbed.

Officials from the **Department of Revenue (DOR), Office of Administration - Administrative Hearing Commission (AHC)** and the **Office of State Courts Administrator (CTS)** assume the proposed legislation would have no fiscal impact on their agencies.

FISCAL IMPACT - State Government

FY 2001	FY 2002	FY 2003
(10 Mo.)		

GENERAL REVENUE FUND

Income-Department of Health (DOH)

Registration Fees/Renewals	\$1,250	\$1,500	\$1,500
----------------------------	---------	---------	---------

**ESTIMATED NET EFFECT TO
 GENERAL REVENUE FUND**

<u>\$1,250</u>	<u>\$1,500</u>	<u>\$1,500</u>
-----------------------	-----------------------	-----------------------

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

Income-Division of Professional Registration (DPR)

Licensure Fees/Renewals	\$61,550	\$45,800	\$47,150
-------------------------	----------	----------	----------

Costs-DPR

Personal Service (.75 FTE)	(\$17,811)	(\$21,909)	(\$22,456)
Fringe Benefits	(5,477)	(6,737)	(6,905)
Per Diem (Subcommittee)	(2,400)	0	0
Expense and Equipment	(15,741)	(20,863)	(21,489)
Other Costs/AGO Costs	(3,553)	(23,413)	(36,655)
Total <u>Costs</u> - DPR	(\$44,982)	(\$72,922)	(\$87,505)

**ESTIMATED NET EFFECT TO
 BOARD OF REGISTRATION FOR
 THE HEALING ARTS FUND**

<u>\$16,568</u>	<u>(\$27,122)</u>	<u>(\$40,355)</u>
------------------------	--------------------------	--------------------------

FISCAL IMPACT - Local Government

	FY 2001 (10 Mo.)	FY 2002	FY 2003
<hr/>	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill provides for the registration and licensure of doctors of naturopathic medicine. The Board of Healing Arts must adopt rules that are necessary for the management of this medical profession.

The rules adopted will cover 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 bill also contains provisions regarding the examination which must be taken before receiving a license. Part one will consist of basic medical science subjects, part two will encompass clinical medical subjects, and part three will consist of clinical competency. The board is also allowed to accept exams conducted by a national board of examiners, if the exams include these subjects. The board will also establish reciprocity with states that have an educational program of equivalent quality to Missouri's.

The bill contains provisions regarding clinical training for naturopathic medical students. Those wishing to receive clinical training must make application with the board. They must train under the direct supervision of a licensed physician. The board will prescribe procedures that students may perform under the supervision of a physician. After making application with the board, graduates of approved schools of naturopathic medicine may engage in internship programs. Interns will work under the direct supervision of a licensed physician. The board will prescribe procedures that interns may perform under the direct supervision of a physician. Procedures practiced by interns are not allowed to go beyond the scope of practice of supervising physicians.

Licensed naturopathic physicians are allowed to dispense substances and devices as long as they follow certain criteria established by the bill.

The bill contains penalty provisions.

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

This proposal would affect Total State Revenues.

SOURCES OF INFORMATION

Department of Economic Development - Division of Professional Registration
Department of Health
Office of the Secretary of State
Office of the Attorney General

L.R. NO. 3057-01
BILL NO. HB 1253
PAGE 7 OF 7
February 8, 2000

Department of Revenue
Office of Administration - Administrative Hearing Commission
Office of State Courts Administrator

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is cursive and somewhat stylized, with the first name "Jeanne" being more prominent than the last name "Jarrett".

Jeanne Jarrett, CPA
Director
February 8, 2000