

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0777-03
Bill No.: HB 416
Subject: Health Care; Health–Public; Licenses–Professional; Medical Procedures & Personnel
Type: Original
Date: February 21, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0	\$4,500	\$0
Board of Registration for the Healing Arts	\$0	(\$18,030)	(\$25,164)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$13,530	(\$25,164)

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 with the **Department of Revenue**, the **Office of Administration–Administrative Hearing Commission**, and the **Office of State Courts Administrator** assume the proposal would have no fiscal impact on their agencies.

Officials with the **Department of Health (DOH)** note that the proposal requires naturopaths wishing to prescribe controlled substances to apply for registration with the Department. DOH anticipates that 50 or fewer individuals would apply, and that the triennial \$90 fee would provide new revenues of \$4,500 every three years. DOH has assumed revenues beginning in FY 2002, but **Oversight** adjusted this to FY 2003, based on other responses.

This bill creates the State Board of Naturopathic Medicine to regulate naturopathic medicine. Officials with the **Office of the Secretary of State** assume the State Board of Naturopathic Medicine will promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the State Board of Naturopathic Medicine 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 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 \$250 fee, which is the maximum amount established by statute. Revenue beginning FY 2003 would be \$42,750 (171 x \$250). In addition, 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.

ASSUMPTION (continued)

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.

DPR assumes the 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. 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, further 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 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 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 \$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 \$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 three cases (12 investigations x 25%) and a cost per case of \$5,400, costs would be \$16,200 in FY 2004 and subsequent years.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Revenues-DOH</u>			
Registration for Controlled Substances	<u>\$0</u>	<u>\$4,500</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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 (0.75 FTE)	\$0	(\$25,112)	(\$25,680)
Fringe Benefits	\$0	(\$8,371)	(\$8,559)
Equipment & Expense	\$0	(\$23,645)	(\$15,106)
Other Fund Costs/AGO Costs	<u>\$0</u>	<u>(\$3,652)</u>	<u>(\$19,852)</u>
<u>Total Costs—DPR</u>	\$0	(\$60,780)	(\$69,197)
ESTIMATED NET EFFECT TO HEALING ARTS FUND	<u>\$0</u>	<u>(\$18,030)</u>	<u>(\$25,164)</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 would have a direct fiscal impact on naturopathic practitioners.

DESCRIPTION

This bill provides for the registration and licensure of doctors of naturopathic medicine. The bill creates a State Board of Naturopathic Medicine.

The 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. All funds received by the board will be deposited in the Board of Registration for the Healing Arts Fund.

The bill 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 bill contains provisions regarding clinical training for naturopathic medical students.

DESCRIPTION (continued)

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

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
Office of the Secretary of State
Office of Administration
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Health
Department of Revenue

NOT RESPONDING

Office of the Attorney General



Jeanne Jarrett, CPA
Director

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