

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4237-01
Bill No.: HB 1447
Subject: Economic Development Dept.; Licenses - Professional; Psychologists
Type: Original
Date: April 17, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(Unknown exceeding \$32,000)	(Unknown exceeding \$20,400)	(Unknown exceeding \$37,860)
Total Estimated Net Effect on General Revenue Fund	(Unknown exceeding \$32,000)	(Unknown exceeding \$20,400)	(Unknown exceeding \$37,860)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
State Committee on Psychologists	\$0	\$20,000	\$600
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$20,000	\$600

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Federal*			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0*	\$0*	\$0*

* Revenues and expenditures unknown exceeding \$61,000 annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** provide that the State Committee of Psychologists estimates 200 applicants for prescriptive authority, with a 3% growth rate, would apply paying a \$100 application fee. The biennial renewal fee would be \$100. Therefore, the DED-PR assumes the proposal will result in additional revenues to the State Committee of Psychologist Fund of \$20,000 in FY 08 and \$600 in FY 09. No additional costs are associated with this proposal.

Officials from the **Department of Health and Senior Services (DOH)** state that as of January 19, 2006, there were 1,858 licensed psychologists in the state of Missouri. For the purposes of this fiscal note, the DOH assumes that all of these individuals will seek registration with the DOH, Bureau of Narcotics and Dangerous Drugs.

Each year approximately 75 new psychologists are licensed in Missouri. In FY 07, the revenue estimate is approximately \$167,220 (1,858 psychologists X \$90 triennial registration fee). In FY

ASSUMPTION (continued)

08 and 09, the revenue estimate is \$6,750 (75 psychologists X \$90 fee). Because of the three-year cycle of licenses, the revenue stream will spike every three years. However, the DOH assumes the revenue will be carried over and applied to subsequent years' expenses.

The Bureau of Narcotics and Dangerous Drugs currently has three (3) Investigator II positions and one (1) Investigator III position to conduct inspections and investigations of approximately 26,000 state controlled substance registrants. This equates to approximately 6,500 registrants per investigator (26,000 registrants/4 investigators). This proposal will result in an increase of approximately 2,000 registrants, with relatively few of them having any understanding of controlled substance record keeping and security requirements. Each existing investigator's workload will increase as inspections of these individuals are likely to include a more significant educational component than those of existing registrants.

The DOH estimates that one (1) additional Investigator II will be needed to respond to the increased workload in performing educational and enforcement activities for the increased number of registrants. Standard equipment and expense costs, as well as rental space for the one FTE will also be required. The DOH estimates total FY 07 costs of \$62,717; FY 08 costs of \$68,057; and FY 09 costs of \$69,822.

Oversight assumes, based on the provisions of section 337.031, that most licensed psychologists would not meet the requirements to obtain prescriptive authority upon passage of this proposal. Therefore, **Oversight** assumes there may be 200 licensed psychologists in the state of Missouri that would register to become prescribing psychologists. **Oversight** further assumes the DOH would not need additional staff for the investigations relating to this number of new licensees. Projected revenue for FY 08 would be \$18,000 (200 licensees X \$90 triennial fee); projected revenue for FY 09 is \$540 (200 X 3% growth X \$90 fee).

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state the proposal would allow psychologists with the proper training and licensure to prescribe certain medications.

Psychotropic drugs are currently covered under Medicaid and recipients receive a prescription for these drugs from a physician or psychiatrist. An increase in utilization and pharmacy expenditures are expected because there will be an increase in prescribing providers for mental health services. In addition, psychotropic drugs are Medicaid's highest cost class of drugs and HB 11 prohibits Medicaid from editing this class of drugs. The DOS-DMS expects the proposal will result in unknown costs exceeding \$100,000 annually.

ASSUMPTION (continued)

Psychology services are a covered service under the Medicaid program for children under the age of 21, so an increase in these services is not expected.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal to the SOS for administrative rules is less than \$1,500. The SOS does not expect additional funding would be required to meet these costs. However, the SOS recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
GENERAL REVENUE			
<u>Income - Department of Health and Senior Services</u>			
Registration fees	\$0	\$18,000	\$540
<u>Costs - Department of Social Services</u>			
Increase in program costs	(Unknown exceeding \$32,000)	(Unknown exceeding \$38,400)	(Unknown exceeding \$38,400)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown exceeding \$32,000)	(Unknown exceeding \$20,400)	(Unknown exceeding \$37,860)
STATE COMMITTEE OF PSYCHOLOGISTS FUND			
<u>Income - Department of Economic Development</u>			
Licensing fees	\$0	\$20,000	\$600
ESTIMATED NET EFFECT ON STATE COMMITTEE OF PSYCHOLOGISTS FUND	\$0	\$20,000	\$600

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
FEDERAL FUNDS			
<u>Income - Department of Social Services</u>			
Increase in program reimbursements	Unknown exceeding \$51,333	Unknown exceeding \$61,600	Unknown exceeding \$61,600
<u>Costs - Department of Social Services</u>			
Increase in program payments	<u>(Unknown exceeding \$51,333)</u>	<u>(Unknown exceeding \$61,600)</u>	<u>(Unknown exceeding \$61,600)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will have a fiscal impact on small business psychologist offices if a psychologist decides to become a licensed prescribing psychologist.

DESCRIPTION

This proposal creates the classification of licensed prescribing psychologist under the State Committee of Psychologists. Persons licensed as prescribing psychologists will be authorized to prescribe Schedule II psychotropic medicine or any other psychological treatment or laboratory test as it relates to the practice of psychology, excluding electrical convulsive therapy.

Prescribing psychologist licenses will only be issued to licensed psychologists who meet certain criteria established in the proposal. These requirements include completing one year of supervision with at least 100 patients consistent with supervision-preceptorship models recommended by the American Psychological Association; completing 300 hours of didactic educational training recommended by the American Psychological Association; and passing a

DESCRIPTION (continued)

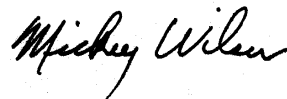
national exam testing competency to engage in the practice of prescriptive authority. The Division of Professional Registration within the Department of Economic Development may promulgate rules creating additional requirements based on current educational guidelines established by the American Psychological Association.

After receiving his or her license to prescribe, a psychologist must enter into a collaborative practice agreement with a licensed physician for a period of one year for the purpose of the diagnosis and treatment of medical problems.

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
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Office of Secretary of State



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Director
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