

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0121-01
Bill No.: HB 49
Subject: Drugs and Controlled Substances; Health Care; Pharmacy
Type: Original
Date: January 17, 2007

Bill Summary: Authorizes a physician assistant or an advanced practice nurse to prescribe a schedule V controlled substance under a collaborative practice agreements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$182,262	(\$60,722)	(\$62,490)
Total Estimated Net Effect on General Revenue Fund	\$182,262	(\$60,722)	(\$62,490)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	1	1	1
Total Estimated Net Effect on FTE	1	1	1

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Health and Senior Services (DOH)** state the Bureau of Narcotics and Dangerous Drugs currently has four (4) Investigator II positions and one (1) Investigator III position to conduct inspections and investigations of the approximately 26,500 (26,430 as of 9/12/2006) state controlled substance registrants. This equals approximately 5,300 registrants per investigator (26,500 registrants/5 investigators).

As of December 11, 2006, there have been 4,999 advanced practice recognitions issued by the Missouri State Board of Nursing. As of February 15, 2006, there were 401 licensed physician assistants in Missouri (from the Missouri State Board of Registration for the Healing Arts web site). It is assumed that all of these individuals will seek registration with the DOH, Bureau of Narcotics and Dangerous Drugs.

It is assumed this proposal will result in an increase of approximately 5,400 registrants (4,999 advanced practice nurses + 401 physician assistants). One (1) additional Investigator II (\$33,888 annually) will be needed to respond to the increased workload in performing activities for the increased number of registrants. The DOH assumes additional rental space of \$2,700 for the Investigator II will also be needed, along with equipment and expenses.

The DOH, Division of Regulation, will need to develop a new database in order to register the new applicants. The registry entries for advanced practice nurses and physician assistants will need to maintain the identification of the registrant delegating this authority under collaborative practice agreements. The current registry cannot store this information. The modifications necessary to register these individuals would require a new database at a total cost of \$246,636. No costs are included for on-going maintenance of the new database as information from the Office of Administration, Information Technology Services Division, indicates that the cost to maintain the new database should not be any more than the cost of maintaining the current database.

Additional registration fees will be generated by this proposal for the approximately 5,400 registrants (5,000 advanced practice nurses + 400 physician assistants) at \$90 per three year registration. Total registration fees are estimated to be \$486,000 (5,400 registrants X \$90). This amount will be received primarily in a three-year cycle due to the three-year term of the registrations issued, except for individuals beginning practice in Missouri in the intervening years.

ASSUMPTION (continued)

Oversight obtained information from the DIFP on the expected annual increase in new physician assistants (PAs) and advanced practice nurses (APNs) entering their professions each year that may want to register with the DOH to have prescriptive authority. 70 new PAs and 387 new APNs received licenses in FY 06. Based on DIFP's expected annual growth rate of 3%,

Oversight assumes a total of 14 new PAs and APNs would register to have prescriptive authority in 2009. Total additional registration revenue for the DOH in 2009 would be \$1,260 (14 new registrants X \$90). **Oversight** assumes 15 new PAs and APNs would register to have prescriptive authority in 2010. Total additional registration revenue for the DOH in 2010 would be \$1,350 (15 new registrants X \$90).

Oversight also assumes the DOH would not need additional rental space for one new employee.

This proposal will result in an increase in total state revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Income - Department of Health and Senior Services</u>			
Registration fees	\$486,000	\$1,260	\$1,350
<u>Costs - Department of Health and Senior Services</u>			
Personal service costs (1 FTE)	(\$29,087)	(\$35,952)	(\$37,030)
Fringe benefits	(\$13,165)	(\$16,272)	(\$16,760)
Equipment and expenses	(\$14,850)	(\$9,758)	(\$10,050)
New database	<u>(\$246,636)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - Department of Health and Senior Services	<u>(\$303,738)</u>	<u>(\$61,982)</u>	<u>(\$63,840)</u>
<u>FTE Change - DOH</u>	1.0 FTE	1.0 FTE	1.0 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$120,980)</u>	<u>(\$60,722)</u>	<u>(\$62,490)</u>
Estimated Net FTE Change for General Revenue Fund	1.0 FTE	1.0 FTE	1.0 FTE

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small business physician offices and clinics that pay the fees for controlled substance registrations for their practitioners will incur an additional cost in paying for the registrations of their advanced practice nurses and physician assistants. Federal registrations for these individuals must also be obtained from the U.S. Drug Enforcement Administration at \$551 per three-year registration before independent activities may begin.

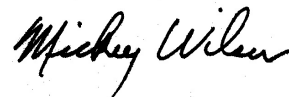
FISCAL DESCRIPTION

Section 195.070 provides a physician assistant or an advanced practice nurse the authority to prescribe a schedule V controlled substance under a collaborative practice agreement.

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 Insurance, Financial and Professional Regulation
Department of Health and Senior Services



Mickey Wilson, CPA
Director
January 17, 2007