

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1346-01  
Bill No.: HB 640  
Subject: Economic Development Dept.; Health Care; Licenses - Professional  
Type: Original  
Date: April 17, 2007

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Bill Summary: Enacts provisions relating to naturopathic medical licensing.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Board of Registration for the Healing Arts	(\$8,025)	\$25,831	(\$15,531)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$8,025)</b>	<b>\$25,831</b>	<b>(\$15,531)</b>

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

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

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

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## **FISCAL ANALYSIS**

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### ASSUMPTION

Officials from the **Office of State Courts Administrator, Office of the Governor, and Missouri Senate** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General (AGO)** assume that any costs associated with this proposal can be absorbed. To the extent this licensing measure is combined with other licensing measures, the AGO may seek appropriations necessary to handle representation of multiple boards or commissions.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through either incarceration (FY 06 average of \$39.43 per inmate per day or an annual cost of \$14,394 per inmate) or through supervision provided by the Board of Probation and Parole (FY 06 average of \$2.52 per offender, per day or an annual cost of \$920 per offender per year).

DOC assumes the narrow scope of the crime will not encompass a large number of offenders. The low felony status of the crime enhances the possibility of plea-bargaining or the imposition of a probation sentence. The probability also exists that offenders would be charged with a similar but more serious offence of that sentences may run concurrent to one another.

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

ASSUMPTION (continued)

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** assume there will be 40 licensees and the initial biennial licensing fee will be \$1,050 (\$42,000 total) and biennial renewal fees of \$1,000. The DIFP assumes a three percent growth rate.

It is assumed that all fees collected will be deposited into the Healing Arts Fund and that all expenses will be paid out of that fund. It is also assumed that the Advisory commission will not generate revenue until FY 09.

It is further assumed that there will be two 2-day board meetings per year at a cost of \$2,813 per meeting (\$5,625) and that each board member will receive a per diem of \$50 per meeting.

All other expenses are based on boards of the same size.

**This proposal will result in an increase in total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>BOARD OF REGISTRATION FOR THE HEALING ARTS FUND</b>			
<u>Income - DIFP</u>			
License/renewal fees	<u>\$0</u>	<u>\$42,000</u>	<u>\$1,050</u>
<u>Costs - DIFP</u>			
Board member per diem costs	(\$2,400)	(\$2,400)	(\$2,400)
Meeting expenses, AGO, and AHC costs	<u>(\$5,625)</u>	<u>(\$13,769)</u>	<u>(\$14,181)</u>
Total <u>Costs</u> - DIFP	<u>(\$8,025)</u>	<u>(\$16,169)</u>	<u>(\$16,581)</u>
<b>ESTIMATED NET EFFECT ON BOARD OF REGISTRATION FOR THE HEALING ARTS FUND</b>	<b><u>(\$8,025)</u></b>	<b><u>\$25,831</u></b>	<b><u>(\$15,531)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

This proposal will directly impact small business naturopathic physicians by requiring licensing and continuing education.

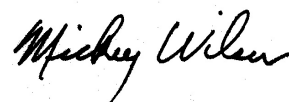
### FISCAL DESCRIPTION

This proposal requires the registration and licensure of doctors of naturopathic medicine. The proposal: (1) Defines the terms related to naturopathic medicine; (2) Prohibits the practice of naturopathic medicine without being licensed; (3) Creates the Advisory Commission for Naturopathic Medicine; (4) Describes the appointment, duties, and powers of the commission; (5) Authorizes the State Board of Registration for the Healing Arts to adopt rules, give exams, collect fees, and employ personnel for the operation of the commission; (6) Requires all persons wishing to practice as naturopathic physicians to be examined by the board as to their fitness to practice; (7) Allows licensing exemptions to naturopathic physicians who are licensed to practice in another state; (8) Establishes certain criteria which must be met prior to making application with the board for licensure; (9) Exempts licensed health care professionals acting within the scope of their profession from the licensing requirements; and (10) Requires continuing education as a condition for license renewal.

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

Office of Attorney General  
Office of State Courts Administrator  
Department of Insurance, Financial and Professional Regulation  
Department of Corrections  
Office of the Governor  
Missouri Senate  
Office of Secretary of State



Mickey Wilson, CPA

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