

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1685-01
Bill No.: HB 789
Subject: Professional Registration and Licensing
Type: Original
Date: March 7, 2017

Bill Summary: This proposal establishes the Missouri Patient Safety in Radiologic Imaging and Radiation Therapy.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Board of Healing Arts Fund	(\$1,050,379)	\$1,276,075	(\$704,229)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$1,050,379)	\$1,276,075	(\$704,229)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Board of Healing Arts Fund	7 FTE	7 FTE	7 FTE
Total Estimated Net Effect on FTE	7 FTE	7 FTE	7 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state based on information received from a representative of the group seeking legislation, the division estimates that 29,000 individuals in the state of Missouri will initially be required to be licensed. In addition, a 3% growth has been estimated. The following board-specific expenses are calculated based on a board of similar size, 29,000, which is the Board of Pharmacy.

The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board.

Staffing

- 4 Processing Technician II (Annual Salary: \$27,180) needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations.
- 1 Legal Counsel (Annual Salary: \$56,610) is needed to work with establishing rules for licensure and enforcement and as well as answering questions regarding applications and litigating cases before the board and the administrative hearing commission (AHC).
- 1 Investigator II (Annual Salary: \$38,304) needed to conduct investigations and inspections, serve notices, and gather information required by the board.
- 1 Paralegal (Annual Salary: \$31,766) is needed to assist legal counsel with litigation preparation and drafting rules.
- 7 Board Member Per Diem - Board members receive a \$70 per diem and board meetings are for 1 day and occur 4 times per year. ($70 \times 1 \times 4 = \$280$)

Printing and Postage

Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as costs associated with mailings associated with initial licensure. Subsequent year's printing and postage is based on a board of similar size.

ASSUMPTION (continued)

29,000	Number of Licensees
\$ 12.50	<u>Postage and Printing Costs</u>
\$362,500.00	Total FY18 Printing and Postage Expense
\$46,505.00	FY19 and FY20 Printing and Postage Expense

Board Meetings

7	Number of Board Members
\$214.00	<u>Meeting Expenses per Member</u>
\$1,498.00	Total Meeting Expenses per Board Meeting
4	<u>Meetings Per Year</u>
\$5,922.00	Total Meeting Expenses

During the first year of implementation, costs are calculated for the design, program, and implementation of the licensure program for new boards.

18	Hours for design, program, and implementation
\$75.00	<u>Cost per hour</u>
\$1,350.00	Total Licensure System Costs

Complaints and Investigations

Based on a board of similar size, it is estimated that the board will receive approximately 126 complaints. The division does not anticipate receiving any complaints until FY19. It is estimated that 30% of the complaints filed would require field investigations. It is estimated that 50% of the complaints that are investigated would require an investigator to incur overnight expenses.

Therefore, the following travel expenses have been calculated for investigations:

19	No. of Anticipated Investigations Requiring Overnight Stay
\$159.00	<u>Cost Per Investigation</u>
\$3,021.00	Annual Investigative Expenses

ASSUMPTION (continued)

Division-Wide Cost

Boards within the division incur division-wide expenses based on specific board licensee averages, in addition to the Department and Office of Administration cost allocations plans. The following expenses are based on a board of similar size and will not require additional appropriation for the PR Transfer Core budget; however, these costs will be considered in calculating the anticipated license and renewal fees.

\$66,443.00	Maintenance of Licensing System
\$26,049.00	Division Operating Expenses
\$131,308.00	Division Personal Service Expenses
\$13,080.00	Department Cost Allocation
\$22,917.00	<u>Office of Administration Cost Allocation</u>
\$259,797.00	Total of Additional Expenses

Cost are calculated for services provided to the division by Attorney General's Office and the Administrative Hearing Commission. It is anticipated these costs will be incurred from the Attorney General's Office and the Administrative Hearing Commission in FY 2017. Estimates are based on a board of similar size.

\$19,843.00	Attorney General's Office
\$ 928.00	<u>Administrative Hearing Commission</u>
\$20,771.00	Total AG and AHC Expenses

Revenue

The projected revenue reflects a biennial fee of \$70 for all categories of licensure. In addition, a 3% growth rate has been estimated. It is estimated that the collection of initial license fees will begin in FY19 and renewal fees will not be collected until FY21. It is also important to note, that once the fees for the board are established by rule other fees could offset the estimated costs.

FY 2019

$$29,000 \times \$70 = \$2,030,000$$

FY 2020

$$29,000 \times .03 \times \$70 = \$60,900$$

ASSUMPTION (continued)

Funding

It is assumed that all fees collected would be deposited into the Board of Healing Arts Fund and that all expenses would be paid out of that fund. It is assumed no revenue will be generated in the first year. However, should the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

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.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
BOARD OF HEALING ARTS FUND			
<u>Revenue</u> - DIFP	\$0	\$2,030,000	\$60,900
Licensing Fees			
<u>Cost</u> - DIFP			
Salaries	(\$198,127)	(\$239,714)	(\$242,092)
Fringe Benefits	(\$118,549)	(\$142,959)	(\$143,667)
Equipment and Expense	(\$453,135)	(\$83,670)	(\$84,599)
Other Fund Cost	(\$280,568)	(\$287,582)	(\$294,771)
<u>Total Cost</u> - DIFP	<u>(\$1,050,379)</u>	<u>(\$753,925)</u>	<u>(\$765,129)</u>
FTE Change - DIFP	7 FTE	7 FTE	7 FTE
ESTIMATED NET EFFECT ON THE BOARD OF HEALING ARTS FUND	<u>(\$1,050,379)</u>	<u>\$1,276,075</u>	<u>(\$704,229)</u>
Estimated Net FTE Change on the Board of Healing Arts Fund	7 FTE	7 FTE	7 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2018 (10 Mo.)	 FY 2019	 FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This will require persons performing radiologic imaging or administering radiation therapy to be licensed.

FISCAL DESCRIPTION

This bill creates the "Missouri Patient Safety in Radiologic Imaging and Radiation Therapy Act." The bill sets requirements for certification by the State Board of Registration for the Healing Arts within the Department of Insurance, Financial Institutions and Professional Registration in order to use radioactive substances or equipment emitting ionizing radiation or magnetic resonance for radiologic imaging or radiation therapy procedures on humans for diagnostic or therapeutic purposes.

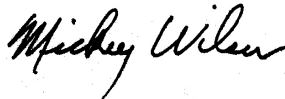
FISCAL DESCRIPTION (continued)

The bill authorizes the board to establish certification and scope of practice standards for any person performing limited X-ray machine operation, magnetic resonance imaging, nuclear medicine advanced associate, nuclear medicine technology, radiation therapy, radiography, and radiologist assistants. The bill creates the "Radiologic Imaging and Radiation Therapy Advisory Commission," to assist and advise the board in matters relating to radiologic imaging and radiation therapy. A person certified under this bill can only perform radiologic imaging or radiation therapy procedures in the area of practice for which he or she is certified. The bill sets out the specific application requirements for the different areas of practice.

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 Institutions and Professional Registration
Office of the Secretary of State
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
March 7, 2017

Ross Strobe
Assistant Director
March 7, 2017