

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1943-01
Bill No.: HB 907
Subject: Professional Registration and Licensing; Health Care Professionals
Type: Original
Date: March 8, 2019

Bill Summary: This proposal establishes a licensing procedure for paramedic practioners.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Healing Arts Fund (0634)	(\$242,537)	(\$108,746)	\$52,762
Total Estimated Net Effect on <u>Other</u> State Funds	(\$242,537)	(\$108,746)	\$52,762

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Healing Arts Fund	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 334.301

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume the following:

Licensee/Revenue

300	Estimated Licensees (Board Estimated)
\$400.00	Initial License Fee
\$400.00	Renewal License Fee
Annual	Renewal Cycle

- In the current language of this proposed legislation, Professional Registrations assumes 300 first year, 700 second year and 1,200 third year will register with the department according to the provisions of section 334.301;
- Projected revenue reflects fees collected for all categories of licensure;
- A 3% growth rate has been estimated (9 additional initial licensees);
- It is estimated that the collection of initial license fees will begin in FY 2021 and renewal fees will not be collected until FY 2023; and
- If the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly

In summary, DIFP assumes a revenue of \$120,000 (300 Licensees * \$400 (Initial License Fee)) in FY 2021 and \$283,600 (700 Licensees * 3% = 709 Licensees * \$400 (Renewal License Fee)) in FY 2022 to the Healing Arts Fund to provide for the implementation of the changes in this proposal.

The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board and to assist in calculating the anticipated license and renewal fees.

Staffing

1 Legal Counsel (at \$61,165 annually) 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).

ASSUMPTION (continued)

1 Processing Technician II (at \$29,388 annually) needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations.

1 Investigator II (at \$45,000 annually) needed to conduct investigations and inspections, serve notices, and gather information required by the board.

Complaints and Investigations

It is estimated the board will receive approximately 4 complaints per year. The division does not anticipate receiving any complaints until FY 2021. It is estimated 30% of the complaints filed will require field investigations with 50% requiring overnight travel. A car is needed to conduct investigations and will need to be eventually replaced based upon usage. Therefore, the vehicle cost is considered an ongoing expense and appropriation need.

In summary, DIFP assumes a cost of \$242,537 in FY 2020, \$228,746 in FY 2021 and \$230,838 in FY 2022 to provide for the implementation of the changes in this proposal.

Oversight notes that the DIFP has stated the proposal would have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimates provided by the DIFP.

Oversight also notes that the Board of Registration for the Healing Arts Fund has a balance of \$10,786,664 as of February 28, 2019. Oversight assumes the fund balance will be sufficient to cover the cost of this proposal in FY 2020 (as no fees will be collected until FY 2021).

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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and 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 office can sustain with the 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.

ASSUMPTION (continued)

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 require additional resources.

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

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Office of Prosecution Services (OPS)** state that the creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine.

Oversight assumes OPS is provided with core funding to handle a certain amount of activity each year. Oversight assumes OPS could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OPS could request funding through the appropriation process.

Officials from the **Office of the State Public Defender** and the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

FISCAL IMPACT - State Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND (0634)			
Revenue - DIFP	\$0	\$120,000	\$283,600
\$400 license and renewal fees (annual)			
Cost - DIFP			
Salaries (3 FTE)	(\$112,961)	(\$136,909)	(\$138,278)
Fringe Benefits	(\$65,949)	(\$79,552)	(\$79,969)
Equipment and Expense	(\$59,539)	(\$8,095)	(\$8,296)
Other Fund Cost	(\$4,088)	(\$4,190)	(\$4,295)
Total Cost - DIFP	(\$242,537)	(\$228,746)	(\$230,838)
FTE Change - DIFP	3 FTE	3 FTE	3 FTE
ESTIMATED NET EFFECT TO THE BOARD OF REGISTRATION FOR THE HEALING ARTS FUND	(\$242,537)	(\$108,746)	\$52,762
Estimated Net FTE Change to the Board of Registration for the Healing Arts Fund	3 FTE	3 FTE	3 FTE
FISCAL IMPACT - Local Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

This proposal could have a fiscal impact on paramedic practioners as a result of this proposal.

FISCAL DESCRIPTION

This bill allows licensure of paramedic practitioners. An applicant for a paramedic practitioner license must be an emergency medical technician-paramedic. A paramedic practitioner must practice under a supervision agreement with a supervising physician.

FISCAL DESCRIPTION (continued)

A paramedic practitioner's scope of practice can only consist of: taking patient histories; performing physical examinations; performing or assisting routine laboratory and patient screening procedures; performing routine therapeutic procedures; recording diagnostic impressions; counseling patients regarding mental and physical health using procedures approved by a licensed physician; assisting a supervising physician in institutional settings; assisting in surgery; and performing other tasks the paramedic practitioner has been trained in and is proficient to perform. A paramedic practitioner cannot perform abortions.

A paramedic practitioner can prescribe some drugs, including some controlled substances listed in Schedule II, III, IV, or V, pursuant to a physician supervision agreement, as outlined in the bill.

The supervising physician will be responsible for health care services rendered by the paramedic practitioner. The supervising physician must document the completion of a one-month period of continuously present practice before the paramedic practitioner can practice without the physician being continuously present.

The Board of Registration of Healing Arts, within the Department of Insurance, Financial Institutions and Professional Registration, can issue a temporary license to a paramedic practitioner before the results of the paramedic practitioner exam is announced.

The bill allows a certifying agency to register with the board to certify or register individuals who have completed academic and training requirements to be a paramedic practitioner.

The bill establishes an Advisory Commission for Paramedic Practitioners, which shall guide, advise, and make recommendations, to the board regarding paramedic practitioner licensure.

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 State Public Defender
Office of Prosecution Services
Office of the State Courts Administrator
Office of the Secretary of State
Joint Committee on Administrative Rules



Kyle Rieman
Director
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Ross Strobe
Assistant Director
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