

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4569H.011
 Bill No.: HB 2446
 Subject: Professional Registration and Licensing; Physicians; Health Care
 Type: Original
 Date: March 4, 2024

Bill Summary: This proposal creates provisions relating to licensure of naturopathic physicians.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
PR Fee Fund	(Unknown, Less than \$309,938)	\$0	\$0
Board of Naturopathic Medicine Fund	\$0	Unknown, less than \$540,768	(Unknown, Less than \$287,435)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown, Less than \$309,938)	Unknown, less than \$540,768	(Unknown, Less than \$287,435)

Oversight assumes the Department of Commerce and Insurance (DCI) is provided with core funding to handle a certain amount of activity each year and could absorb some of the costs related to this proposal. Oversight assumes it is possible the newly created board could share resources with existing boards. Oversight assumes if DCI could absorb some of the cost association with the implementation of this proposal, the application fee could be set lower in return.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
PR Fee Fund	Unknown, less than 3 FTE	Unknown, less than 3 FTE	Unknown, less than 3 FTE
Total Estimated Net Effect on FTE	Unknown, less than 3 FTE	Unknown, less than 3 FTE	Unknown, less than 3 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 324.1900 to 324.1970 – Naturopathic Physicians Practice Act

Officials from the **Department of Commerce and Insurance (DCI)** assume this proposal establishes the Naturopathic Physicians Practice Act. Section 324.1910 creates the five-member Board of Naturopathic Medicine and section 324.1920 creates the Board of Naturopathic Medicine Fund.

Section 324.1915 - board established licensure, renewal and reinstatement.

Licensure Revenue

100 Estimated number of licensees
\$8,500 Application Fee (Biannual)
\$6,500 Renewal Fee

In summary, DCI assumes a revenue of \$850,000 (100 licensees x \$8,500 Application Fee) starting in FY 2026 and \$25,500 (3 (3% increases in licenses) x \$8,500 Application Fee) in FY 2027 to the Board of Naturopathic Medicine Fund as a result of the changes in this proposal.

Staffing-Estimated at PR current staffing salaries

1 Principal Assistant at \$82,000 annually - needed to serve as the senior executive officer of the registration agency.

1 Customer Service Representative at \$38,100 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 Non-Commissioned Investigator at \$49,600 annually - needed to conduct investigations and inspections, serve notices, and gather information required by the board.

In summary, DCI assumes a cost of \$309,937 in FY 2025, \$309,232 in FY 2026 and \$312,935 in FY 2027 to the PR Fees Fund (0689) to provide for the implementation of the changes in this proposal.

Oversight assumes DCI is provided with core funding to handle a certain amount of activity each year and could absorb some of the costs related to this proposal. Oversight assumes it is possible the newly created board could share resources with existing boards. Oversight assumes if DCI could absorb some of the cost associated with the implementation of this proposal, the application fee could be set lower in return.

Therefore, Oversight will reflect an Unknown, less than the cost and revenue estimated by DCI. Oversight assumes the revenue generated to the Board of Naturopathic Medicine Fund starting in FY 2026 will be transferred to the PR Fee fund to cover the new FTE cost.

Officials from the **Department of Revenue** and the **Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
PR FEE FUND			
	Unknown, less than....	Unknown, less than....	Unknown, less than....
<u>Transfer In</u> – from Naturopathic Medicine Fund – Licenses Fees	\$0	\$309,232	\$312,935
<u>Cost</u> - DCI	Unknown, less than....	Unknown, less than....	Unknown, less than....
Personal Service	(\$141,417)	(\$173,094)	(\$176,556)
Fringe Benefits	(\$92,361)	(\$112,148)	(\$113,490)
Equipment and Expense	(\$57,084)		
Other Cost	(\$19,076)	(\$23,990)	(\$22,889)
<u>Total Cost</u> - DCI	(\$309,938)	(\$309,232)	(\$312,935)
FTE Change – DCI	3 FTE	3 FTE	3 FTE
ESTIMATED NET EFFECT TO THE PR FEE FUND	<u>(Unknown, Less than \$309,938)</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change to the PR Fee Fund	Less than 3 FTE	Less than 3 FTE	Less than 3 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
BOARD OF NATUROPATHIC MEDICINE FUND			
	Unknown, less than....	Unknown, less than....	Unknown, less than....
<u>Revenue</u> – DCI Licenses fees	\$0	\$850,000	\$25,500
<u>Transfer Out</u> – to PR Fee Fund	\$0	(\$309,232)	(\$312,935)
ESTIMATED NET EFFECT TO THE BOARD OF NATUROPATHIC MEDICINE FUND	\$0	<u>Unknown,</u> <u>\$540,768</u>	<u>(Unknown,</u> <u>less than</u> <u>\$287,435)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

A direct fiscal impact to naturopathic medicine offices would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill creates the "Naturopathic Physicians Practice Act" and defines the terms, scope, and requirements for the practice of naturopathic medicine. The bill creates a "Board of Naturopathic Medicine" consisting of five members appointed by the Governor. The Board must include the following:

- (1) Three naturopathic physicians;
- (2) One physician; and
- (3) One registered voter who has lived in the state for one year.

The Board is created within the Division of Professional Registration, within the Department of Commerce and Insurance, to regulate the licensure and discipline of naturopathic physicians. This bill creates the "Board of Naturopathic Medicine Fund". Moneys in the fund consist of fees authorized to be charged by the Board. The fund will be used for the payment of expenses of

maintaining the Board and for enforcing provisions concerning the practice of naturopathic medicine.

A licensee may practice naturopathic medicine to provide primary care in alignment with naturopathic medical education, as specified in the bill and includes:

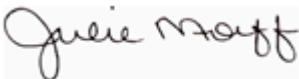
- (1) Performing physical examinations, clinical laboratory procedures, and ordering laboratory examinations;
- (2) Ordering diagnostic imaging studies;
- (3) Prescribing, administering, dispensing, and ordering food, extracts of food, nutraceuticals, vitamins, amino acids, minerals, enzymes, botanicals and their extracts, botanical medicines, homeopathic medicines, human cellular and tissue-based products that are not regulated as drugs, and all dietary supplements and nonprescription drugs as defined by the Federal Food, Drug, and Cosmetic Act;
- (4) Prescribing, administering, dispensing, and ordering specified drugs within Schedules III, IV, and V of Section 195.017, RSMo, and durable medical equipment and devices;
- (7) Providing biofeedback and neuro feedback therapies; and
- (8) Providing health care counseling, nutritional counseling, and dietary therapy.

A naturopathic physician must record each prescription order in writing, have experience managing a medical regimen, and register with the United States Drug Enforcement Administration (DEA) in order to prescribe controlled substances. The qualifications, fees, examinations, and renewal procedures for obtaining and maintaining a license to practice naturopathic medicine, as well as the prohibited acts and grounds for disciplinary action are outlined in the bill.

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 Commerce and Insurance
Department of Revenue
Office of the State Treasurer



Julie Morff
Director
March 4, 2024



Ross Strope
Assistant Director
March 4, 2024