

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1194-01  
Bill No.: SB 372  
Subject: Economic Development Dept.; Health Care; Licenses – Professional; Medical Procedures and Personnel  
Type: Original  
Date: February 13, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</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 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Board of Registration for Healing Arts Fund	\$0	\$55,834	(\$52,198)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$55,834</b>	<b>(\$52,198)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Corrections** and the **Office of Prosecution Services** did not respond to our fiscal impact request.

Officials from the **Office of the State Courts Administrator, Office of the State Public Defender, Missouri State Highway Patrol, Department of Revenue, Office of the Governor** and the **Missouri Senate** assume the proposal would have no fiscal impact on their agencies.

Officials from the **State Treasurer's Office (STO)** note licensure fees will be deposited into the Healing Arts Fund which already exists in the Treasury. STO assumes the proposal would have no fiscal impact on their office.

Officials from the **Administrative Hearing Commission (AHC)** anticipate this proposal will not significantly alter its caseload. AHC notes if other similar proposals also pass, creating more cases or more complex cases, there could be a fiscal impact.

Officials from the **Secretary of State's Office (SOS)** state this proposal creates a naturopathic medicine subdivision within the Board of Healing Arts. SOS states the Board of Healing Arts could promulgate rules to enact this proposal. These rules would be published in both the

**ASSUMPTION** (continued)

*Missouri Register* and the *Code of State Regulations*. These rules could require as many as 36 pages in the *Code of State Regulations* and half again as many pages in the *Missouri Register* because cost statements, fiscal notes and the like are not repeated in the *Code*. SOS estimates the cost of a page in the *Missouri Register* and the *Code of State Regulations* to be \$23 and \$27, respectively. SOS estimates costs of \$2,214 for FY 2004. SOS states the impact of this proposal in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple proposals pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of the Attorney General (AGO)** assume representing the new division within the Board of Healing Arts would require 0.5 (part-time) Assistant Attorney General I. AGO assumes salary and fringe benefits related to this position would cost General Revenue \$18,437 in FY 2004; \$22,677 in FY 2005; and \$23,244 in FY 2006. AGO notes their office would be required to provide representation to witnesses to assert the defense/immunity provided for them by this proposal. AGO assumes this duty could not be assumed by the attorney(s) representing the Board because of ethical concerns. AGO assumes these lawsuits would occur infrequently, and could therefore be absorbed with existing resources. AGO notes any significant number of lawsuits would require additional staff or an expense and equipment appropriation to hire outside counsel.

**Oversight** assumes the AGO will be reimbursed for services from the Board of Registration for Healing Arts Fund relating to representation provided to the Board.

Officials from the **Department of Economic Development – Division of Professional Registration (DPR)** state based on an average licensee count for the 13 states in the nation that have licensure for the practice of naturopathic medicine, it is estimated that there will be approximately 171 licensees. DPR assumes a fee of \$750 will be paid for licensure with biennial renewal. DPR estimates a 3% growth rate and assumes licensure begins in FY 2005, resulting in revenue to the Board of Registration for Healing Arts Fund of \$128,250 in FY 2005 and \$1,875 in FY 2006.

DPR assumes all fees collected and all expenses would be deposited into and paid out of the Board of Registration for Healing Arts Fund.

ASSUMPTION (continued)

DPR assumes implementation of the proposal will require utilizing an additional .75 FTE in FY 2005, as follows: 0.5 Licensure Technician II (0.5 FTE at \$24,492) to process applications for licensure, assist with commission meetings as well as respond to any inquiries related to the licensure law or rules & regulations; and 0.25 Investigator (0.25 FTE at \$37,488) to assist in conducting investigations. In addition, it has been estimated that, at a minimum, the commission will pay .50% of the current principal assistant's annual salary (\$62,196). This estimate is based on an existing licensing group within the division will a similar structure and low number of licensees. DPR assumes rental space will be needed for these additional FTE at an annual cost of approximately \$1,259. DPR assumes equipment cost for the additional FTE will be \$7,920 in FY 2005.

DPR assumes the six (6) member board would meet four (4) times per year for two (2) days per meeting, in Jefferson City. DPR notes the Principal Assistant, an Attorney General representative and a staff person will also attend the meeting. DPR assumes there would be four (4) meetings, beginning in FY 2005, and each board member will receive a \$50 per diem. DPR assumes per diem, mileage, lodging, and meal expenses (for six board members and three staff) to cost approximately \$9,200 annually.

DPR assumes three (3) complaints (2% of licensees) would be received each year. DPR estimates 100% of these complaints (3) will require field investigations, each needing 30 hours of field work and one night's lodging. Travel expenses for the investigations are estimated at \$765 annually. DPR assumes complaints and investigations would start in FY 2005.

DPR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO). DPR estimates 25% of investigations (1) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, DPR estimates \$5,400 annually beginning in FY 2006. DPR also estimates the AGO would provide approximately 60 hours of assistance with rules, opinions and meetings per year. Assuming an hourly rate of \$60.87, these costs are estimated at \$3,652 yearly beginning in FY 2005.

DPR assumes printing and postage costs will be incurred in the first year for statute and rule mailings and for startup printing of rules, applications, letterhead and envelopes. DPR estimates printing and postage costs at \$6.19 per licensee in the first year, for a total cost of \$1,058. Subsequent years' printing and postage costs are expected to continue at this amount.

DPR assumes existing staff would design, program and implement a computer licensure program. However, if costs are higher than anticipated further monies will be required. DPR

assumes a national examination will be utilized for examinations.

ASSUMPTION (continued)

**Oversight** has done the following to calculate the fiscal impact:

- (1) Adjusted DPR's licensure fee from \$750 to \$600 which should cover the operations of the Board;
- (2) Assumed additional rental space would not be required and no additional furniture or equipment should be required since requested FTE are all part-time positions;
- (3) Adjusted DPR's travel expense related to board meeting meal allowances by \$840 as a result of Office of Administration (OA) travel guidelines which do not allow meals for state employees when they are in their official domicile;
- (4) Adjust DPR's mileage rate of 33.5 cents per mile to 33 cents per mile per OA's FY 2004 state mileage allowance; and
- (5) Used DPR's estimates unless otherwise noted.

**This proposal would increase total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>BOARD OF REGISTRATION FOR HEALING ARTS FUND</b>			
<u>Income</u> – DPR			
Revenue from Licensure Fees	\$0	\$102,600	\$1,500
<u>Costs</u> – DPR			
Board Member Per Diem	\$0	(\$2,400)	(\$2,400)
Personal Service (.755 FTE)	\$0	(\$23,039)	(\$23,615)
Fringe Benefits	\$0	(\$9,324)	(\$9,557)
Expenses	\$0	(\$8,241)	(\$8,522)
AGO	<u>\$0</u>	<u>(\$3,762)</u>	<u>(\$9,604)</u>
Total Costs – DPR	<u>\$0</u>	<u>(\$46,766)</u>	<u>(\$53,698)</u>

**ESTIMATED NET EFFECT ON  
BOARD OF REGISTRATION FOR  
HEALING ARTS FUND**

	<u><b>\$0</b></u>	<u><b>\$55,834</b></u>	<u><b>(\$52,198)</b></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

As a result of this proposal, naturopathic physicians would have to become licensed which would involve paying a licensure fee, required continuing education, and likely an increase in paperwork.

DESCRIPTION

This proposal regulates the licensing and registration of naturopathic physicians.

New definitions are provided relating to naturopathic medicine (Section 334.1000). The proposal establishes requirements and procedures for the licensure of naturopaths (Section 334.1003).

The Advisory Commission for Naturopathic Medicine is established to license and supervise all naturopathic physicians. The Commission shall consist of six members, one of which must be a public member, who will be appointed by the Governor with the advice and consent of the Senate. Each member shall serve a four year term, except for the members first appointed. Each member shall receive compensation not to exceed \$50 per day and shall be entitled to be reimbursed for expenses incurred in the discharge of his or her official duties (Section 334.1006).

The Commission has the power to subpoena witnesses and records along with the power to enforce the Commission's subpoenas in circuit court (Section 334.1009). Anyone providing the Commission with information in good faith will not be subject to civil liability. The Attorney General shall defend such persons in any such action or proceedings (Section 334.1012).

The State Board of Registration for the Healing Arts has the authority to adopt rules for

licensing, enforce the provisions of Sections 334.1000 to 334.1048, set the amount of fees, and deposit moneys in the Board's fund. The Board may prescribe continuing education requirements and employ personnel to carry out the proscribed duties (Section 334.1015).

Naturopaths must display a license or certificate in a conspicuous location that is accessible to DESCRIPTION (continued)

the public (Section 334.1018). Any person seeking to practice as a naturopathic physician must have their fitness examined by the Board. An average score of seventy-five is required to pass. The examination required shall be the naturopathic physician's licensing examination (NPLEX), its successor examination or equivalent as determined by the Board (Section 334.1021).

Section 334.1024 creates a list of persons who are exempt from the licensure requirements. Section 334.1027 creates a list of requirements for naturopathic physicians to be licensed without satisfying the requirements of Section 334.1015.

Any person violating the provisions of Sections 334.1000 to 334.1048 will be guilty of a Class A misdemeanor (Section 334.1030).

A naturopathic physician must meet the Board's minimum requirements for continuing education in order to renew a certificate of registration (Section 334.1033). Every licensed naturopathic physician must renew their certificate of registration on or before the renewal date. A blank application form for registration will be mailed to the last known office or residence address. The failure to receive the application form does not mitigate the duty to register or exempt from penalties (Section 334.1036). Registration fees must be paid to the Director of the Department of Revenue and must accompany the application for registration. Renewal provisions are outlined and delinquent fees shall be paid unless waived by the Board. The Board shall set the fees for licensure at a level to produce revenue which will not substantially exceed the cost and expense of administering the provisions of the proposal (Section 334.1039).

The Board may seek discipline of a license or to deny a license to an applicant for specified causes, or alternatively issue a restricted or probated license. Further, the Board may seek summary suspension of a license upon meeting certain requirements. Administrative Hearing procedures will apply (Section 334.1042 and 334.1048).

The Board must publish quarterly a list of the names and addresses of all licensed naturopaths. The Board must also publish a list of all licensed naturopaths that have suspended, revoked, or denied licenses (Section 334.1045).

This proposal is not federally mandated, would not duplicate any other program and would not

require additional capital improvements or rental space.

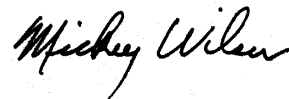


SOURCES OF INFORMATION

Department of Economic Development – Professional Registration  
Office of the State Courts Administrator  
Office of the State Public Defender  
Office of the Attorney General  
Department of Public Safety – Missouri State Highway Patrol  
Department of Revenue  
Office of the Governor  
Missouri Senate  
State Treasurer's Office  
Office of Administration – Administrative Hearing Commission  
Secretary of State's Office

**NOT RESPONDING**

**Department of Corrections**  
**Office of Prosecution Services**



MICKEY WILSON, CPA  
DIRECTOR

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