

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4822-01
Bill No.: SB 1368
Subject: Boards, Commissions, Committees, Councils; Economic Development Dept;
Health Care; Licenses - Professional; Medical Procedures and Personnel
Type: Original
Date: April 5, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Mental Health Earning*	\$0	\$0	\$0
PR Fees	(\$23,452)	\$23,452	\$0
Board of Licensed Addiction Counselors	\$0	\$198,546	(\$138,313)
Criminal Record System	\$0	\$14,938	\$448
Total Estimated Net Effect on Other State Funds	(\$23,452)	\$236,936	(\$137,865)

* Offsetting Fee Income and Personal Costs/Equipment & Expense for FY 06 and FY 07
total \$141,582 each year

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Federal Bureau of Investigation	\$0	\$25,608	\$768
Substance Abuse Prevention and Treatment Block Grant	\$0	(\$70,791)	(\$141,582)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	(\$45,183)	(\$140,814)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The following agencies indicated this proposal would have no fiscal impact on their respective agencies: **Office of State Public Defender; Department of Health and Senior Services; Missouri Senate; Missouri Consolidated Health Care Plan; Department of Conservation; Department of Transportation (Highway/Patrol Medical Plan); Office of State Treasurer; Department of Insurance; Office of the Governor; Office of Administration - Division of Budget and Planning and Administrative Hearing Commission.**

Officials from the **Office of State Courts Administrator** stated this proposal would have no fiscal impact on the Courts.

Officials from the **Office of Prosecution Services** indicated that any costs to prosecutors could be absorbed with existing resources.

Officials from the **Office of Secretary of State (SOS)** assumed the rules, regulations and forms

ASSUMPTION (continued)

issued by the Board of Licensed Addiction Counselors could require as many as 14 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$861 for FY 2005. The impact of this legislation 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 bills 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 representation of the Board of Licensed Addiction Counselors would require 0.5 (part-time) Assistant Attorney General II to assist in the rule-making process, licensing and investigating matters and in appearances before the Administrative Hearing Commission. Further, the proposal specifies that the AGO may be required to act on behalf of the Board in requests for injunctions, restraining orders or other orders enjoining licensees' unauthorized activities. AGO assumes salary and fringe benefits related to this position would cost General Revenue \$22,193 in FY 2005; \$27,297 in FY 2006; and \$27,980 in FY 2007.

Oversight assumes the AGO will be reimbursed for services from the Board of Counselors and Therapists Fund relating to representation provided to the Board.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** stated that, according to the Patrol's Criminal Records and Identification Division, the proposed legislation would result in an impact to Total State Revenue of \$14,938, which would be deposited in the Criminal Records System Fund. The Division of Professional Registration reported there are approximately 1,067 addiction counselors to be licensed the first year and renewals occur every 24 months. The number of new addiction counselors each year is unknown. The result is an impact to TSR of \$14,938 (\$14 x 1,067). The FBI checks would be \$25,608 (\$24 x 1,067) but that money is passed through to the FBI.

Oversight assumes costs associated with fingerprints will begin in FY 2006 due to the length of time required to establish the board.

ASSUMPTION (continued)

According to officials from the **Department of Mental Health (DMH)**, this proposed legislation will have a significant adverse fiscal impact on the DMH. When the Counselor Certification Board (CCB) is replaced by the proposed "Board of Licensed Addiction Counselors" the personal service and expense and equipment expenditures of the CCB now included in the required "Maintenance of Effort" (MOE) for the Substance Abuse Prevention and Treatment Block Grant (SAPT) will be lost. The MOE measures the state revenue fund expenditures on substance abuse issues by the single state authority, which for Missouri is the Division of Alcohol and Drug Abuse. This will result in a dollar for dollar loss of SAPT Block Grant funds.

The proposed legislation would eventually eliminate the need for the CCB and the counselor certification process as currently conducted. If the need for the CCB were eliminated and its duties for monitoring individuals serving as substance abuse counselors were transferred to another entity, the "Board of Licensed Addiction Counselors", there would be no cost savings to the Department nor would there be any direct increase in the costs to the Department. However, the expenditures by the Department would be lost in calculating the "Maintenance of Effort" (MOE) required of the Department by the SAPT Block Grant. MOE is calculated by averaging expenditures by the responsible state agency (in Missouri it is the Division of Alcohol and Drug Abuse) over a two year period. When the MOE declines there is a dollar for dollar loss of funding from the SAPT Block Grant. For the first year of the loss of funding it would be 50% of the decline in MOE, the second year the decline would be the full 100% of the decline.

The CCB charges fees to counselors and then makes deposits to the Mental Health Earnings Fund (MHEF). The MHEF funds the personal service, fringe benefits, and the associated expense and equipment costs for state employees administering the certification process. There would be no net fiscal impact to the MHEF; however appropriations only would need to be reduced by this amount.

The loss to the DMH would be in Federal SAPT Block Grant funds. For FY'04 \$89,210 of PS and \$52,372 of EE for the CCB were appropriated. The loss of these dollars would result in the loss of \$141,582 of Federal Funds (\$106,187 in treatment funding, \$28,316 in prevention funding and \$7,079 in administrative funding) due to MOE. Since MOE is calculated by averaging expenditures over a two year period, there would be no impact in FY'05. The impact for FY'06 would be 50% of the loss of \$141,582 and the FY'07 impact would be the full 100% loss of funds.

Officials with the **Department of Economic Development--Division of Professional Registration (DPR)** estimate the proposal will result in the licensing of 1,067 individuals. DPR assumes a fee of \$350 will be paid for all categories of licensure with biennial renewal. DPR

ASSUMPTION (continued)

estimates a 3% growth rate and assumes licensure begins in FY 2006, resulting in revenue to the Board of Licensed Addiction Counselors Fund of 373,350 in FY 2006 and \$5,602 in FY 2007.

DPR assumes all fees collected and all expenses would be deposited into and paid out of the Board of Licensed Addiction Counselors Fund. DPR notes expenses occurring prior to an appropriation (FY 2005) would be borrowed from another fund within Professional Registration and paid back in FY 2006 or FY 2007.

DPR assumes implementation of the proposal will require hiring an additional 2.0 FTE in FY 2005, as follows: 1 Principal Assistant (\$53,484) to serve as the senior executive officer of the agency; 1 Licensure Technician II (\$25,092) to provide technical support, process applications for licensure and respond to any inquiries related to the licensure law or rules & regulations.

DPR assumes the eleven member board would meet four times per year for two days per meeting, in Jefferson City. DPR notes the Principal Assistant, Licensure Technician and an Attorney General representative will also attend the meeting. DPR assumes there would be four meetings in FY 2005 to promulgate rules and regulations. This proposal allows for up to \$150 per diem. DPR assumes per diem, mileage, lodging, and meal expenses to cost approximately \$19,800 annually.

DPR assumes 21 complaints would be received each year and would require, on average, five hours each to complete. DPR estimates 15% of these complaints (3) will require field investigations, each needing 30 hours of field work and one night's lodging. Travel expenses for the two investigations are estimated at \$765 annually. DPR assumes complaints and investigations would not start until FY 2006.

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.

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 \$6.25 per licensee in the first year, for a total cost of \$6,669. Subsequent years' printing and postage costs are expected to be \$2,500 annually, based on a similar-sized board.

ASSUMPTION (continued)

DPR assumes licensed addiction will represent 0.5% of DPR's overhead. As such, the board will be required to reimburse the Division and the Department of Economic Development for its share of administrative overhead costs, \$12,633 per annum. DPR assumes these costs will begin in FY 2005.

Oversight assumes the \$12,633 in administrative costs will generally offset the required reimbursement of other funds, and will not be used for the new FTE. For fiscal note purposes only, personal costs have been adjusted to those used in FY 04 calculations.

Oversight assumes sufficient fee income should be generated during each biennial fee cycle to cover expenses of operations during the second year of the cycle.

This proposal would increase total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
MENTAL HEALTH EARNING FUND			
<u>Savings -</u>			
Personal Services	\$0	\$89,210	\$89,210
Expenses and Equipment	\$0	<u>\$52,372</u>	<u>\$52,372</u>
	\$0	\$141,582	\$141,582
<u>Loss- Certification Fees</u>	\$0	(\$141,582)	(\$141,582)
ESTIMATED NET EFFECT ON MENTAL HEALTH EARNING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
BOARD OF LICENSED ADDICTION COUNSELORS FUND			
<u>Income</u> - DPR			
Licensure Fees - Renewals	\$0	\$373,450	\$5,602
<u>Cost</u> - DPR			
Transfers to PR Fees Fund	<u>\$0</u>	<u>(\$174,904)</u>	<u>(\$143,915)</u>
NET EFFECT ON BOARD OF LICENSED ADDICTION COUNSELORS FUND	<u>\$0</u>	<u>\$198,546</u>	<u>(\$138,313)</u>
PR FEES FUND			
<u>Income</u> - DPR			
Transfer from Board of Licensed Addiction Counselors Board Fund	\$0	\$174,904	\$143,915
<u>Cost</u> - DPR			
Personal Services (2 FTE)	\$0	(\$76,414)	(\$78,324)
Fringe Benefits	\$0	(\$31,635)	(\$32,426)
Expense and Equipment	\$0	(\$19,951)	(\$4,313)
AGO Costs	(\$3,652)	(\$19,800)	(\$19,800)
Board Member Costs	<u>(\$19,800)</u>	<u>(\$3,652)</u>	<u>(\$9,052)</u>
Total <u>Costs</u> - DPR	<u>(\$23,452)</u>	<u>(\$151,452)</u>	<u>(\$143,915)</u>
ESTIMATED NET EFFECT ON PR FEES FUND	<u>(\$23,452)</u>	<u>\$23,452</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
CRIMINAL RECORD SYSTEM FUND			
<u>Income</u> – Missouri State Highway Patrol Fingerprint Fees	\$0	\$40,546	\$1,216
<u>Transfer</u> – Missouri State Highway Patrol Federal Portion (FBI) of Fingerprint Fees	<u>\$0</u>	<u>\$25,608</u>	<u>\$768</u>
ESTIMATED NET EFFECT ON CRIMINAL RECORD SYSTEM FUND	<u>\$0</u>	<u>\$14,938</u>	<u>\$448</u>
FEDERAL FUNDS			
FEDERAL BUREAU OF INVESTIGATION			
<u>Income</u> - Fingerprint fees	<u>\$0</u>	<u>\$25,608</u>	<u>\$768</u>
ESTIMATED NET EFFECT ON FEDERAL BUREAU OF INVESTIGATION	<u>\$0</u>	<u>\$25,608</u>	<u>\$768</u>
SUBSTANCE ABUSE AND TREATMENT BLOCK GRANT			
<u>Loss</u> - Matching Funding	\$0	(\$70,791)	(\$141,582)
ESTIMATED NET EFFECT ON SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT	<u>\$0</u>	<u>(\$70,791)</u>	<u>(\$141,582)</u>

FISCAL IMPACT - Local Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Addiction counselors could see a fiscal impact resulting from this proposal due to changes in fee structure.

DESCRIPTION

This act provides for the regulation and licensing of professional addiction counselors.

SECTION 337.803

New definitions are provided relating to addiction counseling (Section 337.800). Any person is prohibited from using certain titles related to addiction counseling without a license. These provisions do not apply to certain practitioners who have specialty training in addiction counseling. As of August 28, 2005, every person practicing as an addiction counselor must comply with all educational, training and examination requirements and be licensed under these sections. Licensed addiction counselors must have professional liability insurance coverage.

SECTION 337.806

This act should not be construed to require persons to employ licensed addiction counselors if not otherwise required to do so by law. This act does, however, require addiction counselors in private practice to be licensed.

SECTION 337.809

Applicants for licensure must follow procedures outlined by the Board of Licensed Addiction Counselors for initial licensure and renewal.

SECTION 337.812

Applicants must provide evidence to the Board that all licensure, education, and training requirements have been met and must successfully pass a licensure examination adopted by the Board. Any person licensed as an addiction counselor in another state that has substantially the same requirements shall receive a license by reciprocity. Temporary licenses may also be issued

DESCRIPTION (continued)

for up to 18 months. Limited licenses under supervision may be issued to those who do not meet the licensure requirements. All applicants must authorize the Board to complete criminal background checks.

SECTION 337.815

The Board is authorized to promulgate rules regarding application, fees, examination, levels of licensure, grievances and appeals, reciprocity, and ethical standards.

SECTION 337.818

The Board may refuse to issue or renew a license and the allowable causes for the Board to file a complaint are outlined in the section. Administrative hearing procedures will apply. Persons reporting violations in good faith will not be subject to liability. Upon a finding by the administrative hearing commission on one or more of the grounds listed in this section, the Board may censure, place on probation for up to five years or revoke a person's license.

SECTION 337.821

Any person violating the requirements of this act will be guilty of a Class B misdemeanor. Upon conviction, all compensation received for services must be refunded. The Division of Professional Registration may sue and the Attorney General may request an injunction against the violator.

SECTION 337.824

Confidentiality requirements, with certain exceptions, of addiction counselors are outlined .

SECTION 337.827

The State Board of Licensed Addiction Counselors is established to advise the Division of Professional Registration. The Board, comprised of eleven members, will take effect on January 1, 2004. The Board will consist of four members that are public members and seven members that are licensed addiction counselors. The seven addiction counselor members must be eligible for licensure within twelve months of appointment and may not be licensed in any other behavioral health profession. Members may receive up to a \$150 per diem.

SECTION 337.830

LMD:LR:OD (12/02)

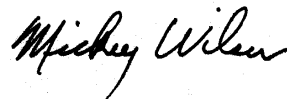
DESCRIPTION (continued)

The State Board of Licensed Addiction Counselors Fund is also created.

This legislation is not federally mandated and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Division of Professional Registration
Office of Secretary of State
Administrative Rules Division
Office of State Courts Administrator
Office of State Public Defender
Office of Prosecution Services
Office of Administration
Administrative Hearing Commission
Division of Budget and Planning
Department of Health and Senior Services
Department of Public Safety
Missouri State Highway Patrol
Missouri Senate
Missouri Consolidated Health Care Plan
Department of Transportation
Department of Mental Health
Office of State Treasurer
Office of Attorney General
Department of Insurance
Office of the Governor



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