

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0236-02
Bill No.: HCS for SB 164
Subject: Professional Registration and Licensing
Type: Original
Date: May 10, 2019

Bill Summary: This proposal modifies provisions relating to professional licensure.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue Fund	(\$59,412) to (\$85,967)	(\$35,238) to (\$49,140)	(\$36,084) to (\$50,135)
Total Estimated Net Effect on General Revenue	(\$59,412) to (\$85,967)	(\$35,238) to (\$49,140)	(\$36,084) to (\$50,135)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Various DIFP Funds	(Could be greater than \$378,672)	(Could be greater than \$411,414)	(Could be greater than \$415,463)
State Committee on Psychologist Fund	Up to \$5,000	Up to \$6,000	Up to \$6,000
Total Estimated Net Effect on <u>Other</u> State Funds	(Could be greater than \$373,672)	(Could be greater than \$405,414)	(Could be greater than \$409,463)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 24 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Federal Funds	\$0 to (\$77,951)	\$0 to (\$84,536)	\$0 to (\$85,325)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 to (\$77,951)	\$0 to (\$84,536)	\$0 to (\$85,325)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue Fund	0 to 0.225 FTE	0 to 0.125FTE	0 to 0.125 FTE
Federal Funds	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
Various DIFP Funds	4 FTE	4 FTE	4 FTE
Total Estimated Net Effect on FTE	4 FTE to 7.225 FTE	4 FTE to 7.125 FTE	4 FTE to 7.125 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

§§193.015, 195.100, 334.037, 334.104, 334.108, 334.735, 334.736, 334.747, 334.749, 338.010, 630.75 & 630.875 - Physician Assistants

Oversight notes these sections are similar to HCS for HB 840 from 2019.

In response to a similar proposal from this year (HCS for HB 840), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** stated the bill is anticipated to have no fiscal impact to the DIFP. However, should the extent of the work be more than anticipated, the DIFP would request additional appropriation and/or FTE through the budget process.

Oversight does not have any information to the contrary. Therefore, Oversight will assume DIFP has sufficient existing staff and resources available to perform the additional duties required by this proposal and will reflect no fiscal impact to the DIFP for fiscal note purposes.

Oversight notes that in response to a similar proposal from this year (HCS for HB 840), officials from the **Department of Health and Senior Services, the Department of Mental Health** and the **Department of Social Services** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

§§214.276, 256.477, 317.015, 324.086, 324.217, 324.496, 324.523, 324.1112, 328.150, 329.140, 337.330, 337.525, 337.630, 337.730, 339.532, 346.105, 436.230 - Professional Registration

Oversight notes these sections are similar to SB 258 from 2019.

In response to a similar proposal from this year (SB 258), officials from the **Office of Administration - Administrative Hearing Commission, the Department of Revenue, the Department of Health and Senior Services, the Department of Natural Resources, the Department of Agriculture, the Department of Transportation** and the **Department of Public Safety - Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal from this year (SB 258), officials from the **St. Francois County Assessor, City of Springfield, City of Columbia, Monroe County Assessor** and **Kansas City** each assumed the proposal would have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume the proposal will have no fiscal impact on their organization.

Oversight notes that DIFP has 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.

§§ 214.276, 256.477, 317.015, 324.012, 324.086, 324.217, 324.262, 324.265, 324.496, 324.523, 324.1112, 324.1118, 326.280, 326.289, 326.310, 327.131, 327.221, 327.312, 327.381, 327.441, 327.612, 328.075, 328.150, 329.140, 331.030, 331.060, 332.231, 332.251, 332.281, 332.291, 333.041, 333.151, 334.414, 334.530, 334.613, 334.616, 334.655, 334.715, 334.920, 335.046, 335.066, 336.030, 336.110, 337.020, 337.035, 337.330, 337.510, 337.525, 337.615, 337.630, 337.644, 337.645, 337.665, 337.715, 337.730, 338.030, 338.055, 338.065, 338.185, 339.040, 339.100, 339.511, 339.532, 340.228, 340.264, 340.274, 340.300, 344.030, 344.050, 345.015, 345.050, 345.065, 346.055, 346.105, and 436.230 - Fresh Start Act of 2019

Oversight notes these sections are similar to SCS for HCS for HB 564 from 2019.

Section 324.012 - Fresh Start Act

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Insurance, Financial Institutions and Professional Registration** assumed this proposal requires that each state licensing authority list the categories or specific criminal convictions that could disqualify an applicant from receiving a license. Further, licensing authorities shall only list criminal convictions that are specific and directly related to the duties and responsibilities for the licensed occupation. Currently no such list exists. As a result, the department would need ongoing attorney services to develop the list and determine which convictions are "specific and directly related" to the type of license being applied for.

ASSUMPTION (continued)

The department estimates at least \$285,437 in additional FTE and/or legal contract costs (estimating three attorney FTE at \$68,310 annually or work in various division / boards in the department) to various department funds annually for this work. The exact costs could be greater. The department would need to request additional FTE and/or expense appropriation through the budget process to handle this additional workload.

This bill also authorizes that an individual with a criminal record may petition a licensing authority at any time for a determination of whether the individual's criminal record will disqualify the individual from obtaining a license. The licensing authority shall inform the individual of their standing within 30 days after the licensing authority has met, but in no event more than four months after receiving the petition from the applicant.

Each written determination that an applicant's criminal conviction is a specifically listed disqualifying conviction "shall be documented with written findings for each of the grounds or reasons...by clear and convincing evidence sufficient for a reviewing court". The licensing authority may charge a fee not to exceed \$25.00 for each petition. The fiscal impact the department for petition process is unknown depending up on the number of petitions received and the extent of the work required. The department would request additional FTE and appropriation, as necessary, through the budget process.

In summary, DIFP assumes a cost for this section (3 FTE at \$68,310 annually and an additional unknown cost of \$100,000 for either or both contracting and additional legal staff) of Unknown but greater than \$396,754 in FY 2020, \$421,311 in FY 2021 and \$424,347 in FY 2022 to Various Department Funds to provide for the implementation of all of the changes in this proposal.

Oversight will reflect DIFP's estimated need of at least 3 attorneys for this section and that DIFP may or may not incur additional unknown cost of \$100,000 for either or both contracting and additional legal staff as a result of this proposal. Oversight will reflect the estimated DIFP cost as (Could be greater than \$396,754) in FY 2020, (Could be greater than \$421,311) in FY 2021 and (Could be greater than \$424,347) in FY 2022.

Oversight will also reflect a revenue of \$117,000 per year to Various DIFP Funds as a result of the \$25 petition fee.

ASSUMPTION (continued)

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Revenue (DOR)** assumed this legislation creates the "Fresh Start Act of 2019" and may impact the issuance or denial of a dealer license as it relates to the required criminal background check.

Administrative Impact

To implement the proposed changes, the Department may be required to:

- Update the Dealer Operating Manual;
- Amend and update administrative rules; and
- Train staff.

FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	40 hrs. @ \$18.42 per hr.	= \$ 737
Administrative Office Support Asst.	15 hrs. @ \$13.78 per hr.	= \$ 207
Revenue Manager	80 hrs. @ \$20.59 per hr.	= \$1,647
Total		= \$2,591

FY 2020 - Personnel Services Bureau

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Total Costs		= \$2,789

The Department anticipates that the DOR will be able to absorb these costs and that there will be no fiscal impact as a result of this proposal.

Oversight notes that the Department of Revenue has 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 DOR.

Section 324.012.4

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Health and Senior Services - Division of Community and Public Health** assumed the proposed legislation requires licensing authorities to revise their existing requirements to "explicitly state the specific criminal convictions that could disqualify an applicant from receiving a license." The Lead Licensing Program (LLP) and Onsite Wastewater Treatment Program (OWTP) would need to revise regulations to be compliant with this proposed legislation.

ASSUMPTION (continued)

The OWTP does not assess criminal history as part of their current licensing practice, and would need to review their regulations for consistency or make a minor amendment. The LLP is required to assess criminal history under another statute, so the program would need to revise their forms to be compliant with the proposed legislation. Time and cost for these revisions is estimated in the table below. The department anticipates being able to absorb these costs, resulting in zero fiscal impact. However, until the FY20 budget is final, the department cannot identify specific funding sources.

	Program Manager (EPHS V - OWTP)	Program Manager (Env. Superv. - LLP)	Program staff (HPR II)	Section Rules Coordinator (HPR III)	Management Review (HSSM)	Total
OWTP rules	2			2	1	5
LLP rules		15	5	30	5	55
LLP forms		2	3			5
Total hours	2	17	8	32	6	65 hours
Average Salary	\$53,351	\$58,903	\$37,970	\$43,365	\$66,574	
Total cost	\$52	\$491	\$149	\$680	\$196	\$1,568

Oversight notes that the Division of Community and Public Health has 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 this agency for this section.

ASSUMPTION (continued)

Section 324.012.4(1)

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DRL)** assumed the proposed legislation requires DRL's, Section for Health Standards and Licensure, Bureau of Narcotics and Dangerous Drugs (BNDD) and the Bureau of Emergency Medical Services (EMS) to revise its existing licensing requirements to explicitly list the specific criminal convictions that could disqualify an applicant from receiving a license.

It is assumed it will take BNDD's Health and Senior Services Manager (\$66,798, average annual salary) approximately 40 hours to make the required changes. Based on 2,080 working hours per year, this would require 0.02 FTE to assume these duties ($40 \text{ hours} \div 2,080 \text{ hours per year} = 0.02$) for a total personal service cost of \$1,336 ($\$66,798 \times 0.02$) for FY20.

It is assumed it will take EMS's Health and Senior Services Manager (salary \$60,784) approximately 40 hours to make the required changes. Based on 2,080 working hours per year, this would require 0.02 FTE to assume these duties ($40 \text{ hours} \div 2,080 \text{ hours per year} = 0.02$) for a total personal service cost of \$1,216 ($\$60,784 \times 0.02$) for FY20. Creating a total cost for DRL of \$2,552.

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify specific funding sources.

Oversight notes that the DRL has 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 this agency for this section.

Section 324.012.5

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DRL)** assumed the proposed legislation allows a licensing authority to charge a fee to recoup costs when an individual with a criminal record petitions the licensing authority for a determination of whether their criminal record will disqualify them from obtaining a license. DRL assumes fees will not be charged for this service.

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify specific funding sources.

ASSUMPTION (continued)

Oversight notes that the DRL has 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 this agency for this section.

Section 324.012.5

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Health and Senior Services - Directors Office (DHSS)** assumed the proposed legislation allows an individual with a criminal record to petition a licensing authority at any time for a determination of whether the individual's criminal record will disqualify the individual from obtaining a license. This petition shall include details on the individual's criminal record, and the licensing authority shall inform the individual of his or her standing within thirty days of receiving the petition from the applicant.

The Department of Health and Senior Services will require .125 FTE for an attorney (\$64,500 average annual salary) to process the increased number of petitions created from this proposed legislation. The attorney duties may include:

- Reviewing requests for records (sunshine and/or subpoenas);
- Coordinating and advising with program staff to determine whether the Department has records responsive to requests ;
- Reviewing of individual records;
- Determining appropriate response;
- Responding to requestor;
- Drafting/filing motions to quash subpoenas when necessary;
- Possible referrals to the Attorney General's Office;
- Assisting in the preparation of the documentation regarding each petition that must be done within thirty days of receiving the petition.

DHSS assumes that these additional petitions will require 260 hours of an attorney's time each year for a total of .125 FTE (260/2,080 hours=.125). This translates to a yearly additional cost of \$8,062.60 (\$31.01 an hour x 260 hours= \$8,062.60). Due to current workload being at maximum limits, these costs cannot be absorbed.

Oversight assumes DHSS could absorb some of the additional duties without adding 1/8 of an FTE; however, DHSS has stated due to current workload being at maximum limits, these cost cannot be absorbed. Therefore, Oversight will range the cost from \$0 (1/8 FTE can be absorbed) to \$8,063 (1/8 FTE is not absorbed) to the General Revenue Fund.

ASSUMPTION (continued)

Section 324.012.11

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Health and Senior Services - Directors Office (DHSS)** assumed he proposed legislation requires the promulgation of rules and regulations, which include the following duties (but not all inclusive): establish guidelines, implement strategies, make evidence-based system changes, and create policy recommendations. The Department of Health and Senior Services (DHSS), Office of General Counsel will need an additional .1 FTE for an attorney (salary of \$64,500 per year) to perform the research necessary to ensure the new guidelines and information for this proposed legislation has been properly vetted and implementation is completed quickly and with fiscal responsibility. Due to current workload being at maximum limits, these costs cannot be absorbed.

Oversight assumes DHSS could absorb some of the additional duties without adding .1 of an FTE; however, DHSS has stated due to current workload being at maximum limits, these cost cannot be absorbed. Therefore, Oversight will range the cost from \$0 (.1 FTE can be absorbed) to \$5,375 (.1FTE is not absorbed) in FY 2020 to the General Revenue Fund.

Section 344.030.2(1)

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DRL)** assumed he proposed legislation removes the Board of Nursing Home Administrators (BNHA) ability to deny licenses based on moral turpitude. This will require BNHA to promulgate new rules for the program. It is assumed it will take the Board of Nursing Home Administrator's Principal Assistant Board/Commission (salary \$51,658) approximately 16 hours to make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.01 FTE to assume these duties (16 hours ÷ 2,080 hours per year = 0.01) for a total personal service cost of \$517 (\$51,658 X 0.01) for FY20.

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify specific funding sources.

Oversight notes that the DRL has 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 this agency for this section.

ASSUMPTION (continued)

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** stated that this section is anticipated to have no fiscal impact to the department. However, should the extent of the work be more than anticipated, the department would request additional appropriation and/or FTE through the budget process

Oversight notes that the DIFP has 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 this section for this agency.

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assumed this legislation removes "reasonably" and replaces it with "directly". It will take additional review and time to determine if something is "directly related" to the occupation compared to "reasonably related." The person determining that will have to know the essence of a profession and what it requires to be able to determine if the criminal conviction is directly related and whether that crime needs to go on the specific list of crimes as the statute requires. The department is estimating needing one attorney FTE for this work.

Oversight will reflect DIFP's estimated need of 1 additional attorney at \$68,310 annually. Oversight will reflect the estimated DIFP cost as (\$98,918) in FY 2020, (\$107,103) in FY 2021 and (\$108,116) in FY 2022.

In summary, DIFP assumes a total cost for this proposal (4 FTE at \$68,310 annually and an additional unknown cost of \$100,000 for either or both contracting and additional legal staff) of Unknown but greater than \$495,672 in FY 2020, \$519,414 in FY 2021 and \$532,463 in FY 2022 to Various Department Funds to provide for the implementation of all of the changes in this proposal.

In response to a similar proposal from this year (SCS for HCS for HB 564), officials from the **Office of the State Courts Administrator**, the **Department of Corrections**, the **Department of Natural Resources**, the **Department of Transportation**, the **Department of Agriculture**, the **Office of Prosecution Services**, the **Department of Economic Development**, the **Office of the State Public Defender**, the **Office of Administration - Administrative Hearing Commission**, the **Department of Public Safety - Missouri Highway Patrol** and the **Office of Administration** each assumed the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

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.

§324.009 - Professional Licensing Reciprocity

Oversight notes these sections are similar to HB 1140 from 2019.

In response to a similar proposal from this year (HB 1140), officials from the **Department of Health and Senior Services (DHSS)** assumed the proposed legislation revises the professional licensing reciprocity criteria necessary to qualify for a license in the state of Missouri, including nonresident military spouses. Applicants applying for licensure under the proposed legislation would fall under the same reciprocity process, fee, and review as current applicants. Changing regulations and applicant licensure reviews are within the normal ebb and flow for the Department, so minimal time and expense will be required to conduct the requirements of the proposed legislation.

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify specific funding sources.

In response to a similar proposal from this year (HB 1140), officials from the **Department of Insurance, Financial Institutions and Professional Registration, the Department of Revenue, the Department of Natural Resources, the Department of Agriculture, the Department of Transportation, the Department of Public Safety - Missouri Highway Patrol** and the **Office of Administration - Administrative Hearing Commission** 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.

§324.025 - Expanded Workforce Access Act of 2019

Oversight notes these sections are similar to SB 318 from 2019.

In response to a similar proposal from this year (SB 318), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assumed this proposal establishes the Expanded Workforce Access Act of 2019.

ASSUMPTION (continued)

The fiscal impact is unknown to various DIFP funds depending upon the type of apprenticeships developed by state agencies or other licensing authorities and the extent of work that is demanded of the Division of Professional Registration.

Oversight will reflect an unknown cost to various DIFP funds.

Officials from the **Department of Economic Development - Division of Workforce Development (DWD)** assumed this proposal creates the "Expanded Workforce Access Act of 2019" stating that, within the parameters established under the federal Labor Standards for the Registration of Apprenticeship Programs, each state licensing authority shall grant a license to applicants that successfully complete the eighth grade, complete an apprenticeship approved by the Division of Professional Registration or US Department of Labor or otherwise permitted under state or federal law and have passed an examination by the appropriate licensing authority.

While DWD is not the licensing authority, DWD may be required to work with the Division of Professional Registration or other agencies to ensure individuals completing the approved apprenticeships receive their licenses. Therefore, DWD is estimating the need for 1 additional FTE (Workforce Development Specialist IV) at an annual salary of \$51,108. This would be a cost to federal funds.

Oversight will reflect a potential cost to Federal Funds of \$77,951 in FY 2020, \$84,536 in FY 2021, \$85,325 and FY 2022.

Oversight assumes Department of Economic Development - Division of Workforce Development (DED-DWD) could absorb some of the additional duties without adding an FTE; however, DED-DWD has stated due to current workload, these cost cannot be absorbed.

Therefore, Oversight will range the cost from \$0 (FTE can be absorbed) to the estimated provided by DED-DWD (FTE is not absorbed) to Federal Funds.

In response to a similar proposal from this year (SB 318), officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DHSS)** stated that this legislation allows an applicant to receive a license to practice an occupation, profession, or activity in Missouri under specified criteria through an apprenticeship program.

ASSUMPTION (continued)

The nursing home administrator applicant applying for licensure through apprenticeship would be treated as other applicants through the same application, office process, fee, and Board of Nursing Home Administrators' review to determine if the applicant meets the apprenticeship track for administrator licensure. DHSS does not anticipate an increase in applicants due to nursing home administrators obtaining licensure through an apprenticeship program.

Section 324.025.5

DHSS states that this section references the promulgation of rules and regulations. It is assumed it will take a Principal Assistant Board/Commission (salary \$51,658) approximately 16 hours make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.01 FTE to assume these duties ($16 \text{ hours} \div 2,080 \text{ hours per year} = 0.01$) for a total personal service cost of \$517 ($\$51,658 \times 0.01$) for FY20.

Oversight assumes DHSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DHSS could absorb the costs related to this proposal with current resources; however, if multiple bills pass the cumulative impact may require additional FTE.

In response to a similar proposal from this year (SB 318), officials from the **Department of Health and Senior Services - Division of Community and Public Health (DHSS)** assumed that the Lead Licensing Program and Onsite Wastewater Treatment Program would accept approved apprenticeships for licensing, so long as the criteria in §324.025.3 are met. The only cost anticipated is for rulemaking to clarify how this statute impacts other existing licensing statutes and regulations, and creation of new application forms. Time and costs for these activities is estimated in the table below.

ASSUMPTION (continued)

	Program Manager (EPHS V - OWTP)	Program Manager (Env. Superv. – LLP)	Program staff (HPR II)	Section Rules Coordinator (HPR III)	Management Review (HSSM)	Total
OWTP rules	10			20	5	35 hours
OWTP forms	2		3			5 hours
LLP rules		10		20	5	35 hours
LLP forms		2	3			5 hours
Total hours	12	12	6	40	10	80 hours
Average Salary	\$53,351	\$58,903	\$37,970	\$43,365	\$66,574	
Total cost	\$308	\$340	\$110	\$834	\$320	\$1,912

DHSS anticipates being able to absorb these costs, resulting in zero fiscal impact. However, until the FY20 budget is final, the department cannot identify specific funding sources.

Oversight assumes DHSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DHSS could absorb the costs related to this proposal; however, if multiple bills pass the cumulative impact may require additional FTE.

In response to a similar proposal from this year (SB 318), officials from the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Office of Administration - Administrative Hearing Commission**, the **Department of Transportation**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Natural Resources** and the **Department of Agriculture** each assumed 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.

§§324.035 & 337.029- Psychologist Licensees

Oversight notes these sections are similar to HCS for HB 66 from 2019.

ASSUMPTION (continued)

Section 324.035

In response to a similar proposal from this year (HCS for HB 66), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** did not anticipate any fiscal impact from this section. The division believes offering training helps keep licensees compliant with laws and regulations. As an example, the state's Committee of Psychologists saw a tangible decrease in complaints after offering continuing education (CE) course for licensees. Should the number of complaints and investigations rise, the department may need to request additional appropriation and FTE through the budget process.

Oversight notes that the Department of Insurance, Financial Institutions and Professional Registration has stated the proposed section 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.

Sections 337.020

In response to a similar proposal from this year (HCS for HB 66), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assumed this proposal removes language that was inadvertently left in a bill that passed in 2018. Currently, the State Committee of Psychologists' license processing time is being extended by the inadvertent language. This additional time and effort is increasing the committee's costs. DIFP estimates 40 applications a year are processed and not approved, which would be a \$6,000 per year loss of income to the State Committee of Psychologist Fund for work done to process applications.

If the proposed legislation does not pass and the increased costs remain, the State Committee of Psychologists will need to increase their fees to correlate with the increased processing time and effort. The proposed legislation itself will cause no fiscal impact to the department, but prevent future costs to committee licensees.

Oversight will assume removing this fee exemption may impact behavior and result in fewer non qualified applications from being submitted. Therefore, Oversight will reflect up to \$6,000 of additional annual application fee revenue to the State Committee of Psychologist Fund.

ASSUMPTION (continued)

In response to a similar proposal from this year (HCS for HB 66), officials from the **Department of Mental Health**, the **Department of Health and Senior Services** and the **Department of Social Services** each assumed 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.

§§334.506 & 334.613 - Allows Physical Therapists to Treat Patients without a Prescription

Oversight notes these sections are similar to Perfected HCS for HB 410 from 2019.

In response to a similar proposal from this year (Perfected HCS for HB 410), officials from the **Department of Social Services (DSS)** assumed this bill allows physical therapists to treat patients without a prescription. The change from the "02" version of the bill is the "03" version allows the physical therapist consult with health care providers if after ten visits or twenty-one business days, the patient has functional improvement and the physical therapist believes the continuation of physical therapy is reasonable.

Currently, physical therapy services must be prescribed by a primary care provider and are only a covered benefit for children in Managed Care. Additionally, any service included in the Individualized Education Program (IEP) developed through the public school is covered through Fee-For-Service.

MO HealthNet's requirement for medical necessity of physical therapy services would be impacted if the need for prescription and referral by a primary care provider (or specialist) were removed. By removing this connection to the primary care/specialist provider, utilization for these services will inevitably increase over time due to provider-induced demand, potential for over treatment (due to lack of utilization controls), and difficulty in enforcement. In addition, utilization increases may be expected based on the use of in-office ancillary. Without the need for a script or other utilization control, utilization increases may be anticipated as clinicians have the ability to bill up to ten visits before they must seek further consult, and without an enforcement process, it is assumed this type of behavior will increase.

It is assumed that the Managed Care capitation rates would increase at least \$100,000 per year based on this legislation. For FY21 and FY22, a 2.4% medical inflation rate was used. Mo HealthNet estimates the actuarial cost to evaluate this program change to the Managed Care capitation rates to be no more than \$50,000.

ASSUMPTION (continued)

Oversight notes that the DSS has stated the proposal would have a direct fiscal impact on Managed Care Capitation Rates. Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimates provided by DSS.

In response to a similar proposal from this year (Perfected HCS for HB 410), officials from the **Department of Insurance, Financial Institutions and Professional Registration, Missouri Consolidated Health Care Plan** and the **Department of Health and Senior Services** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the Department of Insurance, Financial Institutions and Professional Registration, Missouri Consolidated Health Care Plan and the Department of Health and Senior Services have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§337.068 - Prisoner Complaints against a Psychologist's License

Oversight notes these sections are similar to SB 451 from 2019.

In response to a similar proposal from this year (SB 451), officials from the **Department of Insurance, Financial Institutions and Professional Registration, the Department of Corrections, the Department of Health and Senior Services, the Department of Social Services** and the **Department of Mental Health** each assumed 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.

§339.190 - Real Estate Licensee Immunity

Oversight notes these sections are similar to HCS for HB 106 from 2019.

In response to a similar proposal from this year (HCS for HB 106), officials from the **Department of Insurance, Financial Institutions and Professional Registration** and the **Office of the State Courts Administrator** each assumed the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

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.

§442.135 - Conveying Real Estate to Contain Certain Information

Oversight notes these sections are similar to HCS for HB 770) from 2019.

In response to a similar proposal from this year (HCS for HB 770), officials from the **State Tax Commission, St. Louis County, Greene County, Monroe County Assessor** and the **Mississippi County Recorder of Deeds** each assumed no fiscal impact to their respective entities from this proposal.

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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties and recorder of deeds offices were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

Bill as a whole

In response to similar proposals from this year, officials from the **Joint Committee on Administrative Rules (JCAR)** stated the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

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

In response to similar proposals from this year, officials from the **Office of the Secretary of State (SOS)** stated 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.

ASSUMPTION (continued)

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.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
---	---------------------	---------	---------

GENERAL REVENUE FUND

Cost - DHSS (§§ 324.012.5 & 324.012.11) p. 10 & 11

Salary	\$0 to (\$12,094)	\$0 to (\$8,143)	\$0 to (\$8,225)
Fringe Benefits	\$0 to (\$6,050)	\$0 to (\$4,058)	\$0 to (\$4,083)
Equipment and Expense	<u>\$0 to (\$8,411)</u>	<u>\$0 to (\$1,701)</u>	<u>\$0 to (\$1,743)</u>
<u>Total Cost - DHSS</u>	<u>\$0 to (\$26,555)</u>	<u>\$0 to (\$13,902)</u>	<u>\$0 to (\$14,051)</u>
<u>FTE Change - DHSS</u>	0 to 0.225 FTE	0 to 0.125 FTE	0 to 0.125 FTE

Cost - DSS (§§334.506 & 334.613) p. 17

Increase in Managed Care Capitation Rates (state portion)	(\$34,412)	(\$35,238)	(\$36,084)
Actuarial Study (state portion)	<u>(\$25,000)</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$59,412) to (\$85,967)</u>	<u>(\$35,238) to (\$49,140)</u>	<u>(\$36,084) to (\$50,135)</u>
---	--	--	--

Estimated Net FTE to the General Revenue Fund	0 to 0.225 FTE	0 to 0.125 FTE	0 to 0.125 FTE
---	----------------	----------------	----------------

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2020 (10 Mo.)	FY 2021	FY 2022
 FEDERAL FUNDS			
 <u>Revenue - DSS (§§334.506 & 334.613)</u> p.17			
Increase in Managed Care Capitation Rates	\$65,588	\$66,965	\$68,371
Actuarial Study	\$25,000	\$0	\$0
 <u>Cost - DSS (§§334.506 & 334.613)</u> p. 17			
Increase in Managed Care Capitation Rates (federal portion)	(\$65,588)	(\$66,965)	(\$68,371)
Actuarial Study (federal portion)	(\$25,000)	\$0	\$0
 <u>Cost - DED-DWD (§324.025) p. 13</u>			
Salaries	\$0 to (\$42,590)	\$0 to (\$51,619)	\$0 to (\$52,135)
Fringe Benefits	\$0 to (\$23,487)	\$0 to (\$28,340)	\$0 to (\$28,498)
Equipment and Expense	<u>\$0 to (\$11,874)</u>	<u>\$0 to (\$4,577)</u>	<u>\$0 to (\$4,692)</u>
<u>Total Cost - DED-DWD</u>	<u>\$0 to (\$77,951)</u>	<u>\$0 to (\$84,536)</u>	<u>\$0 to (\$85,325)</u>
FTE Change - DED-DWD	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
 ESTIMATED NET EFFECT TO FEDERAL FUNDS	 <u>\$0 to (\$77,951)</u>	 <u>\$0 to (\$84,536)</u>	 <u>\$0 to (\$85,325)</u>
 Estimated Net FTE Change to Federal Funds	 0 to 1 FTE	 0 to 1 FTE	 0 to 1 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2020 (10 Mo.)	FY 2021	FY 2022
VARIOUS DIFP FUNDS			
<u>Revenue</u> - DIFP p. 5 \$25 petition fee (Section 324.012)	\$117,000	\$117,000	\$117,000
<u>Cost</u> - DIFP (§ 324.012) p. 5			
Salaries	(\$170,775)	(\$206,979)	(\$209,049)
Fringe Benefits	(\$83,565)	(\$100,903)	(\$101,534)
Equipment and Expense	(\$42,414)	(\$13,429)	(\$13,764)
Other Fund Cost (Additional FTE or Legal Contract Cost for listing criminal convictions)	\$0 or (Unknown greater than <u>\$100,000</u>)	\$0 or (Unknown greater than <u>\$100,000</u>)	\$0 or (Unknown greater than <u>\$100,000</u>)
<u>Total Cost</u> - DIFP (§ 324.012)	(Could be greater than <u>\$396,754</u>)	(Could be greater than <u>\$421,311</u>)	(Could be greater than <u>\$424,347</u>)
FTE Change - DIFP (§ 324.012)	3 FTE	3 FTE	3 FTE
<u>Cost</u> - DIFP (§324.025) p. 13 Potential increase in work depending on apprenticeships developed	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - DIFP (HB 564 as a whole)			
Salaries	(\$56,925)	(\$68,993)	(\$69,683)
Fringe Benefits	(\$27,855)	(\$33,634)	(\$33,845)
Equipment and Expense	(\$14,138)	(\$4,476)	(\$4,588)
<u>Total Cost</u> - DIFP (HB 564 as a whole) p. 11	(<u>\$98,918</u>)	(<u>\$107,103</u>)	(<u>\$108,116</u>)
FTE Change - DIFP	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT TO VARIOUS DIFP FUNDS	(Could be greater than <u>\$378,672</u>)	(Could be greater than <u>\$411,414</u>)	(Could be greater than <u>\$415,463</u>)
Estimated Net FTE Change to Various DIFP Funds	4 FTE	4 FTE	4 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2020	FY 2021	FY 2022
(continued)	(10 Mo.)		

**STATE COMMITTEE OF
 PSYCHOLOGIST FUND**

Revenue - application fee collected at time of submission instead of at time of approval (§337.020) p. 16	<u>Up to \$5,000</u>	<u>Up to \$6,000</u>	<u>Up to \$6,000</u>
---	----------------------	----------------------	----------------------

**ESTIMATED NET EFFECT ON THE
 STATE COMMITTEE OF
 PSYCHOLOGIST FUND**

<u>Up to \$5,000</u>	<u>\$0 or \$6,000</u>	<u>Up to \$6,000</u>
----------------------	-----------------------	----------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2020	FY 2021	FY 2022
	(10 Mo.)		
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Numerous small business that require professional licensure could be impacted by this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to professional 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 Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Social Services
Joint Committee on Administrative Rules
Office of Secretary of State
Office of Administration - Administrative Hearing Commission
Department of Revenue
Department of Natural Resources
Department of Agriculture
Department of Transportation
Department of Public Safety - Missouri Highway Patrol
Department of Corrections
Department of Economic Development
Office of the State Courts Administrator
Missouri Consolidated Health Care Plan
State Tax Commission
St. Louis County
Greene County
Mississippi County Recorder
St. Francois County Assessor
City of Springfield
City of Columbia
Monroe County Assessor
Kansas City



Kyle Rieman
Director
May 10, 2019

Ross Strope
Assistant Director
May 10, 2019