COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0360H.02C
Bill No.: HCS for SB 9
Subject: Professional Registration and Licensing; Health Care; Architects; Engineers; Dentists; Funerals and Funeral Directors; Physical Therapists; Psychologists; Athletics; Military Affairs
Type: Original
Date: April 28, 2021

Bill Summary: This proposal modifies provisions relating to licensed professionals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue Fund	($59,412)	($35,135)	($35,873)
Total Estimated Net Effect on General Revenue	**($59,412)**	**($35,135)**	**($35,873)**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Tattoo and Body Branding Fund (0883)	$0	$11,500	$0
Total Estimated Net Effect on Other State Funds	**$0**	**$11,500**	**$0**

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal Funds*	$0	$0	$0
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

*Revenues and Expenses Net to $0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	**0**	**0**	**0**

☐ 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 2022	FY 2023	FY 2024
Local Government	**$0 or Unknown**	**$0 or Unknown**	**$0 or Unknown**

FISCAL ANALYSIS

ASSUMPTION

§§191.1145, 191.1146, 334.109 & 376.1900 – Telemedicine Provisions

In response to a similar proposal from this year (Perfected HCS for HB 495), officials from the **Department of Commerce and Insurance** and the **Department of Health and Senior Services Department of Social Services**, the **Department of Public Safety - Missouri Highway Patrol**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Missouri Consolidated Health Care Plan** and the cities of: **Claycomo**, **Corder**, **Hughesville**, **Kansas City**, **O'Fallon** and the **St. Louis Budget Division** each assumed 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 for this section.

§324.009 – Reciprocity License

In response to a similar proposal from this year (HB 584), officials from the **Department of Health and Senior Services** state that this legislation revises the professional licensing reciprocity criteria necessary to legally practice an occupation or profession in the state of Missouri. 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 duties for the Division of Regulation and Licensure. 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 FY22 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to a similar proposal from this year (HB 584), officials from the **Office of Administration - Administrative Hearing Commission** anticipated that this legislation will not significantly alter is caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to a similar proposal from this year (HB 584), officials from the **Department of Commerce and Insurance**, the **Department of Natural Resources**, the **Missouri Department**

of Agriculture, the **Department of Public Safety - Missouri Highway Patrol** and the **Department of Revenue** each assumed 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 for this section.

§324.012 – Criminal Background Check for Professional Licensing Authorities

In response to a similar proposal from this year (SB 308), officials from the **Department of Commerce and Insurance**, the **Office of Administration - Administrative Hearing Commission**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Social Services**, the **Missouri Department of Agriculture** and the **Missouri Department of Transportation** 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 for this section.

§324.093 – Occupational Therapy Licensure Compact

In response to a similar proposal from this year (HB 542), officials from the **Department of Commerce and Insurance (DCI)** state that the compact will be effective when it is enacted into law in the tenth member state. It is uncertain if the compact would be enacted in FY22, FY23 or FY24. Once the compact is enacted DCI would have the following fiscal impact: $3,000 to $6,000 estimated annual fee to participate in the compact.

Oversight assumes DCI is provided with core funding to handle a certain amount of activity each year. Oversight assumes DCI could absorb the costs related to this proposal and assumes the annual fee is not material. If multiple bills pass which require additional staffing and duties at substantial costs, DCI could request funding through the appropriation process.

In response to a similar proposal from this year (HB 542), officials from the **Office of Administration - Administrative Hearing Commission** anticipate that this legislation will not significantly alter is caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to a similar proposal from this year (HB 542), officials from the **Attorney General's Office**, the **Department of Public Safety - Missouri National Guard**, the **Missouri House of Representatives** and the **Missouri Senate** each assumed 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.

§§324.200 & 324.206 – Dietitians Registration

In response to a similar proposal from this year (Perfected HCS for HB 475), officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency for this section.

In response to a similar proposal from this year (Perfected HCS for HB 475), officials from the **Office of Administration - Administrative Hearing Commission** anticipate that this legislation will not significantly alter its caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§324.520 – Tattoo Definition

In response to a similar proposal from this year (HCS for HB 1042), officials from the **Department of Commerce and Insurance (DCI)** estimate there will be 85 practitioners and 15 establishments that practice "A mark made on the face or body of another person for cosmetic purposes or to any part of the body for scar coverage or other corrective purposes by the insertion of a permanent or semi-permanent pigment under the skin with the air of needles, blades, or other instruments."

FY 2023
85 practitioners at $100 fee = $8,500
15 establishments at $200 fee = $3,000
Biannual Renewal

FY 2025
85 practitioners at $100 fee = $8,500
15 establishments at $100 renewal fee = $1,500

The next renewal will be in FY 25. This legislation does not require additional FTE and the department believes it can absorb the additional workload. Should the cost be more than anticipated, the department would request an increase to their FTE and appropriations as appropriate through the budget process.

Revenue	FY2023	FY2024	FY2025
85 practitioners x $100	$8,500	$0	$8,500
15 establishments x $200	$3,000	$0	$0
15 establishments x $100	$0	$0	$1,500
Total	**$11,500**	**$0**	**$10,000**

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated revenue provided by the DCI to the Tattoo, Body Piercing & Branding Fund (0883).

In response to a similar proposal from this year (HCS for HB 1042), officials from the **Office of Administration - Administrative Hearing Commission** anticipated that this legislation will not significantly alter is caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to a similar proposal from this year (HCS for HB 1042), officials from the **Office of the State Public Defender**, the **Office of the State Courts Administrator** and the **Missouri Office of Prosecution Services** each assumed 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>§§327-011-327.612 – Architects, Engineers and Landscape Architects Licensure</u>

In response to a similar proposal from this year (HCS for HB 481), officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for that agency for these sections.

<u>§329.034 – Shampooing Direction under Licensed Barber</u>

In response to a similar proposal from this year (HB 237), officials from the **Department of Commerce and Insurance** assumed the proposal will have no fiscal impact on their organization.

Oversight notes that the Department of Commerce and Insurance 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.

<u>§§332.071 & 332.368 – Dentistry - Prescription and Administration of Vaccines</u>
In response to a similar proposal from this year (SB 322), officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services** and the **Department of Social Services** 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 for these sections.

<u>§332.600 – Dental Board and DHSS Pilot Projects</u>
Officials from the **Department of Health and Senior Services (DHSS)** state their department does not anticipate any fiscal impact as a result of this section of the proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

§333.041-333.315 – Embalmers and Funeral Directors Provisions

In response to a similar proposal from this year (HCs for HB 724), officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

§334.036 – Continuing Education for Certain Professionals

In response to a similar proposal from this year (HB 551), officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Social Services** and the **Office of the Governor** each assumed 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 for this section.

§334.506 & 334.613 – Physical Therapist Scope of Practice

In response to a similar proposal from this year (HB 367), officials from the **Department of Social Services (DSS)** assume this legislation revises Chapter 334, RSMo, by adding two sections that would allow physical therapists to treat patients without a prescription or referral from an approved health care provider.

This legislation is almost identical to FN 4230.02 for HCS HB 1869 from 2020 session. Since this legislation revises Chapter 334, RSMo, and since there is no specific exemption for physical therapists that contract with the Health Maintenance Organizations (HMOs) that contact with the state to provide health benefits to MO HealthNet managed Care members, it is assumed this will apply to them.

The HMOs that contract with the state have current policies and procedures that outline treatment guidelines for members for physical therapy services. This legislation revises current language to remove the requirement for a prescription or referral from an approved healthcare provider provided the physical therapist has a doctorate of physical therapy degree or has five years of clinical practice as a physical therapist. In addition, this legislation revises language that states consultation with an approved health care provider is not required if the course of physical therapy services or treatment is completed within ten visits or twenty-one business days. Providers enrolled with MO HealthNet must be licensed by the state in which they practice. In order to receive reimbursement for services provided to a MO HealthNet participant, providers must also be enrolled with the state as a MO HealthNet provider. Physical therapy services must be prescribed by a primary care provider and is only a covered benefit for children. Additionally, any service included in the Individualized Education Program (IEP) developed through the public school is covered through Fee-For-Service.

Medicaid'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 based on this legislation. For FY23 and FY24, a 3.7% medical inflation rate was used. They estimate the actuarial cost to evaluate this program change to the Managed Care capitation rates to be no more than $50,000.

FY22: Total - $150,000 (GR - $58,990; Federal - $91,010)

FY23: Total - $103,700 (GR - $35,248; Federal - $68,452)

FY24: Total - $107,537 (GR - $36,552; Federal - $70,985)

In response to a similar proposal from this year (HB 367), officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Department of Transportation** and the **Department of Public Safety - Missouri Highway Patrol** 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 organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies for this section.

Oversight assumes there will be no fiscal impact to local governments.

<u>§§334.530 & 334.655</u>

Oversight assumes these sections will have no fiscal impact on state or local government.

<u>§337.068- Complaints against a Psychologist's License</u>

In response to a previous version, officials from the **Department of Commerce and Insurance**, 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 for this section.

<u>§339.100 – Real Estate Licensees and Advertisements</u>

In response to a similar proposal from this year (HB 1124), officials from the **Office of Administration - Administrative Hearing Commission** anticipated that this legislation will not significantly alter is caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to a similar proposal from this year (HB 1124), from the **Department of Commerce and Insurance** and the **Office of the State Courts Administrator** each assumed 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 for this section.

<u>§339.150 – Business owned payments to real estate salespersons and broker-salespersons</u>

In response to a similar proposal from this year (SB 435), officials from the **Department of Commerce and Insurance** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

<u>§375.029 – Continuing Education Credits for Insurance Producers</u>

In response to a similar proposal from this year (HB 1114), officials from the **Department of Commerce and Insurance** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this section.

<u>§§436.218 - 436.266 – Athlete Agents Provisions</u>

In response to a similar proposal from this year (HB 971), officials from the **Department of Commerce and Insurance (DCI)**, the **Department of Corrections**, the **Office of the State Courts Administrator**, the **Office of the State Public Defender**, the **Office of Prosecution**

Services, the **Department of Public Safety - Missouri Highway Patrol**, the **Missouri State University**, the **State Technical College of Missouri** and the **University of Central Missouri** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** notes that several agencies have 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 sections.

In response to a similar proposal from this year (HB 971), officials from the **Office of Administration - Administrative Hearing Commission** anticipated that this legislation will not significantly alter is caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight notes Section 436.263 allows for a civil penalty not to exceed $100,000 for violations of Sections 436.215 – 436.272 (Athlete Agents). Oversight will reflect this potential as a $0 or unknown amount of civil penalty revenue to local school districts.

FISCAL IMPACT – State Government	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
Cost - DSS			
Increase in Managed Care Capitation Rates (state portion) (§334.506) p .7-8	($34,412)	($35,238)	($36,084)
Actuarial Study (state portion) (§334.506) p .7-8	($25,000)	$0	$0
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	**($59,412)**	**($35,135)**	**($35,873)**
FISCAL IMPACT – State Government (continued)	FY 2022 (10 Mo.)	FY 2023	FY 2024
FEDERAL FUNDS			
Revenue - DSS			
Increase in Managed Care Capitation Rates(§334.506) p .7-8	$65,588	$66,965	$68,371
Actuarial Study(§334.506) p .7	$25,000	$0	$0
Cost - DSS			
Increase in Managed Care Capitation Rates (federal portion) (§334.506) p .7-8	($65,588)	($66,965)	($68,371)
Actuarial Study (federal portion) (§334.506) p .7-8	($25,000)	$0	$0

ESTIMATED NET EFFECT TO FEDERAL FUNDS	**$0**	**$0**	**$0**
TATTOO, BODY PIERCING & BRANDING FUND (0883)			
Revenue - DCI - definition change to include more practitioners and establishments (§324.520) p.5	$0	$11,500	$0
ESTIMATED NET EFFECT TO THE TATTOO, BODY PIERCING & BRANDING FUND	**$0**	**$11,500**	**$0**

FISCAL IMPACT – Local Government	FY 2022 (10 Mo.)	FY 2023	FY 2024
SCHOOL DISTRICTS			
Civil Penalty Revenue - §436.263 - $100,000 civil penalty p. 10	$0 or Unknown	$0 or Unknown	$0 or Unknown
ESTIMATED NET EFFECT TO SCHOOL DISTRICTS	**$0 or Unknown**	**$0 or Unknown**	**$0 or Unknown**

FISCAL IMPACT – Small Business

Several small businesses that license with the Department of Commerce and Insurance could be impacted by this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to licensed professionals.

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 Corrections
Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Office of the State Courts Administrator
Missouri Department of Conservation
Missouri Department of Transportation
Department of Public Safety - Missouri Highway Patrol
Missouri State University
State Technical College of Missouri
University of Central Missouri
Missouri Office of Prosecution Services
Office of the State Public Defender
Office of Administration - Administrative Hearing Commission
Department of Natural Resources
Department of Revenue
Missouri Consolidated Health Care Plan

Julie Morff
Director
April 28, 2021

Ross Strope
Assistant Director
April 28, 2021

KC:LR:OD