

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1242S.01I  
Bill No.: SB 300  
Subject: Boards, Commissions, Committees, and Councils; Compacts; Health Care; Health Care Professionals; Hospitals; Interstate Cooperation; Licenses - Miscellaneous; Medical Procedures and Personnel; Physicians; Professional Registration and Licensing;  
Type: Original  
Date: March 26, 2021

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Bill Summary: This proposal adopts the Interstate Medical Licensure Compact.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on General Revenue</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 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Professional Registration Fees Fund (0689)	(\$578,031)	(\$654,424)	(\$659,693)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$578,031)</b>	<b>(\$654,424)</b>	<b>(\$659,693)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Professional Registration Fees	9 FTE	9 FTE	9 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>9 FTE</b>	<b>9 FTE</b>	<b>9 FTE</b>

- ☒ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 334.290 – Interstate Medical Licensure Compact

Officials from the **Department of Commerce and Insurance (DCI)** state that this legislative language establishes Missouri as a member of the Interstate Medical Licensure Compact.

DCI assumes the following:

#### Licensee/Revenue

225	State of principal licensure applications (Board Estimate)
\$300	License Fee
\$75	Renewal Fee
175	Applications for letters of qualification (Board Estimate)
\$75	Fee (one time)

- In the current language of this proposed legislation, Professional Registration assumes 225 State of principal licensure applicants and 175 applications for letter of qualification.
- Projected revenue reflects fees collected for all categories of licensure
- A 3% growth rate has been estimated.
- It is estimated that the collection of license fees will begin in FY 2022
- If the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly

In summary, DCI assumes a revenue of \$80,625 (\$225 applicants x \$300 fee + 175 applicants for letters of qualification x \$75 one time fee) in FY 2022, \$19,350 in FY 2023 and \$19,875 in FY 2024 to the Board of Registration for the Healing Arts Fund (0634) as a result of the changes in this proposal.

The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board and to assist in calculating the anticipated license and renewal fees.

#### Staffing

- 2 Legal Counsel (\$68,310/annually) needed to assist with implementation of the program by assisting with any rules that are deemed necessary, responding to legal questions pertaining to the qualifications for licensure, compact and investigations. Prepare documents for disqualified applicants who appeal the Board's decision and serve as legal advisors to the Board and its staff.

- 1 Paralegal (\$39,245/annually) to assist legal counsel with the duties listed above.
- 1 Customer Service Supervisor (\$37,549/annually) to oversee the implementation of the compact licensure process and serve as a liaison to the Board, board staff and IMLCC.
- 4 Customer Service Representative (\$30,089/annually) needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations.
- 1 Non Commissioned Investigator (\$45,000/annually) needed to conduct investigations and inspections, serve notices, and gather information required by the board.

### **Complaints and Investigations**

It is estimated the board will receive approximately 4 complaints. The division does not anticipate receiving any complaints until FY 2023. It is estimated 30% of the complaints filed will require field investigations with 50% requiring overnight travel. One car is needed to conduct investigations and will need to be eventually replaced based upon usage. Therefore, the vehicle cost is considered an ongoing expense and appropriation need.

### **Interstate Commission Annual Fee**

The board anticipates a cost of \$10,000 annually from each member state to cover the cost of the operations of the Interstate Commission and its staff.

In summary, DCI assumes a cost of \$658,656 in FY 2022, \$673,774 in FY 2023 and \$679,568 in FY 2024 to provide for the implementation of the changes in this proposal.

The balance in the Professional Registration Fees Fund as of February 26, 2021, was \$725,201.

**Oversight** does not have any information to the contrary; therefore Oversight will reflect the cost estimate provided by DCI to the Professional Registration Fee Fund (0689).

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>PROFESSIONAL REGISTRATION FEES FUND (0689)</b>			
<u>Revenue</u> – DCI interstate medical licensure compact	\$80,625	\$19,350	\$19,875
<u>Cost</u> - DCI			
Personal Service	(\$315,642)	(\$382,558)	(\$386,383)
Fringe Benefits	(\$209,901)	(\$253,135)	(\$254,402)
Equipment and Expense	(\$114,875)	(\$19,636)	(\$20,126)
Other Fund Cost	(\$18,238)	(\$18,445)	(\$18,657)
<u>Total Cost – DCI</u>	<u>(\$658,656)</u>	<u>(\$673,774)</u>	<u>(\$679,568)</u>
FTE Change - DCI	9 FTE	9 FTE	9 FTE
<b>ESTIMATED NET EFFECT ON THE PROFESSIONAL REGISTRATION FEES FUND (0689)</b>	<b><u>(\$578,031)</u></b>	<b><u>(\$654,424)</u></b>	<b><u>(\$659,693)</u></b>
Estimated Net FTE Change to the Professional Registration Fees Fund	9 FTE	9 FTE	9 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

#### FISCAL IMPACT – Small Business

A fiscal impact to small businesses who employ physicians with an expedited license could be expected as a result of this proposal.

### FISCAL DESCRIPTION

This bill adopts the "Interstate Medical Licensure Compact". The Compact allows a physician who meets the eligibility requirements to receive an expedited license. The state must perform a criminal background check on an applicant and the state cannot require any additional verification beyond primary-source verification of medical education or results of medical or licensing examinations.

A physician may renew his or her expedited license as a member of the Compact.

The Compact establishes a confidential database of all physicians who have been granted an expedited license or who have applied for an expedited license, for the purpose of allowing member states to report disciplinary or investigatory information.

Member states may participate in joint investigations of physicians with other member states, and any disciplinary action taken by one member state may subject the physician to discipline with other member states. If a physician's license is revoked, surrendered, or relinquished in one state, it shall automatically be placed on the same status in the other member states.

The Compact establishes the "Interstate Medical Licensure Compact Commission" to act as a corporate and joint agency of the member states and to oversee and maintain administration of the Compact. The Compact outlines procedures for any member state who fails to perform its obligations of the Compact.

The Compact will only be effective once seven states have enacted legislation to join the Compact.

The Compact outlines the procedure to withdraw from the Compact. The Compact supersedes all other laws that conflict with provisions of the Compact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

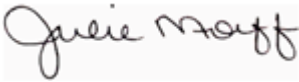
SOURCES OF INFORMATION

Department of Commerce and Insurance

Department of Health and Senior Services

Department of Mental Health

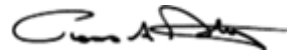
Department of Social Services



Julie Morff

Director

March 26, 2021



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Assistant Director

March 26, 2021