

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 3424-01
BILL NO. SB 1024
SUBJECT: Health Care; Medical Procedures and Personnel
TYPE: Original
DATE: April 11, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$24,235	(\$3,471)	(\$3,528)
Total Estimated Net Effect on <u>All</u> State Funds	\$24,235	(\$3,471)	(\$3,528)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (DPR)** assume the proposed legislation would result in the potential licensure of 171 Naturopathic Physicians, based on an average licensee count for the 13 states in the nation that have licensure for the practice of naturopathic medicine. The projected revenue reflects a \$350 fee to cover the cost of implementation. Revenue for FY 01 would be \$59,850 (171 x \$350). In addition, a 3% growth rate has been estimated.

DPR assumes fees collected would be deposited into the General Revenue Fund and expenses paid would be from the General Revenue Fund, since this proposal establishes no fund for Naturopathic Physicians.

DPR is requesting an additional 1 FTE, consisting a .5 Executive Director and a .5 Licensing Technician to carry out duties generated by this proposal. NOTE: These staff needs are different than those in a similar previous proposal due to the fact this Advisory Committee is not being placed under an existing licensing board, but will be independent. However, **Oversight** has maintained DPR's staff needs in the similar previous proposal and has calculated costs based on those assumptions. In the similar previous proposal, the DPR stated they would need .75 FTE to carry out the duties generated by the proposal. These would include a .5 Licensure Technician II (.5 FTE at \$23,472 per year) to process applications for licensure, as well as respond to any inquiries relating to the licensure law or rules and regulations and a .25 Investigator II (.25 FTE at \$34,468 per year) to assist in conducting investigations.

Additionally, this proposal does not establish any per diem or reimbursement for Advisory Committee members. Therefore, expenses associated with the Committee are not included in the calculation of expenses.

DPR estimates first year postage and printing costs for statute and rule mailings to applicants and for first year start up printing of rules and applications to be \$1,055. It is estimated that postage and printing costs for subsequent years would be \$12,250, based on a Board of similar size.

Based on FY 99 complaints for an agency of similar type, the DPR assumes there would be 12 complaints each year and that complaints and investigations would not begin until FY 02. It is estimated that all complaints would require investigation and would entail approximately 30 hours of field work, resulting in annual investigative travel expense of \$3,060.

ASSUMPTION (continued)

It is assumed the Office of the Attorney General (AGO) would provide approximately 60 hours of assistance per year with rules, opinions and meetings. Based on an hourly cost of \$59.22, the annual total would be \$3,553. Also, it is estimated that 25% of the investigations would be forwarded to the AGO for further action. It is assumed there would not be any cases until FY 02. Based on an estimated three cases (12 investigations x 25%) and a cost per case of \$5,400, costs would be \$16,200 in FY 02 and subsequent years.

It is assumed that existing staff would design, program, and implement a computer licensure program. However, if costs are higher than anticipated, further monies would be required.

It is assumed a national examination will be utilized for examinations. However, if the Board elects to develop its own examination, the cost is estimated between \$10,000 and \$50,000.

Officials from the **Department of Health (DOH)** assume the proposal would result in no impact since this legislation does not mention controlled substances like a similar previous proposal.

Officials from the **Office of the Secretary of State (SOS)** assume the proposed legislation would require the printing of additional pages in the *Missouri Register* and the *Code of State Regulations* and have estimated a publishing cost of \$2,651 for FY 01. Additionally, future costs are unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

While this bill alone would not require SOS to acquire additional staff, SOS assumes the cumulative effect of additional Register and Code publishing duties could, at some point, require additional staff. **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 appropriations process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

In a response to a previous similar proposal, officials from the **Office of the Attorney General (AGO)** assumed any costs generated as a result of this proposal could be absorbed.

Officials from the **Office of Administration - Administrative Hearing Commission (AHC)** and the **Office of State Courts Administrator (CTS)** assume the proposed legislation would have no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
---	---------------------	---------	---------

GENERAL REVENUE FUND

Income-Division of Professional Registration (DPR)

Licensure Fees/Renewals	\$59,850	\$61,600	\$63,350
<u>Costs-DPR</u>			
Personal Service (.75 FTE)	(\$17,811)	(\$21,909)	(\$22,456)
Fringe Benefits	(5,477)	(6,737)	(6,905)
Expense and Equipment	(8,774)	(16,079)	(16,561)
Other Costs/AGO Costs	(3,553)	(20,346)	(20,956)
Total <u>Costs</u> - DPR	(\$35,615)	(\$65,071)	(\$66,878)

**ESTIMATED NET EFFECT TO
 GENERAL REVENUE FUND**

\$24,235 (\$3,471) (\$3,528)

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small business would be expected as a result of this proposal.

DESCRIPTION

This bill requires certification and licensing by the Department of Economic Development for a practitioner of "Naturopathy".

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

This proposal would affect Total State Revenues.

L.R. NO. 3424-01
BILL NO. SB 1024
PAGE 5 OF 5
April 11, 2000

SOURCES OF INFORMATION

Department of Economic Development - Division of Professional Registration
Department of Health
Office of the Secretary of State
Office of the Attorney General
Office of Administration - Administrative Hearing Commission
Office of State Courts Administrator



Jeanne Jarrett, CPA
Director
April 11, 2000