

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1215-01  
Bill No.: SB 273  
Subject: Health Care; Health Care Professionals; Medical Procedures & Personnel;  
Physicians  
Type: Original  
Date: February 12, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Healing Arts Fund	(\$24,999)	(\$26,464)	(\$27,125)
<b>Total Estimated et Effect on <u>All</u> State Funds</b>	<b>(\$24,999)</b>	<b>(\$26,464)</b>	<b>(\$27,125)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Economic Development–Division of Professional Registration (DPR)** assume the proposed legislation would result in an increase in workload due to approximately 240 supervision agreements submitted annually for review by the Board of Healing Arts. DPR assumes the need for a .5 Investigator II (.5 FTE at \$37,488 per year) to routinely audit and review each physician agreement and the documentation of the joint review of practice. It is estimated that each review will take approximately 6 - 8 hours each (240 licensees x 6 hours = 1,440 hours). It is assumed that the audits and reviews can be conducted in the board office. However, if travel is required, additional expense and equipment costs will be needed.

The associated costs will be paid from the Board of Registration for the Healing Arts fund.

NOTE: A license fee increase for physician assistants may be necessary to cover the costs associated with this proposal.

Officials from the **Department of Health Department of Social Services (DOS)** assume the proposed legislation would have no fiscal impact on its agency.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>HEALING ARTS FUND</b>			
<u>Costs–DPR</u>			
Personal Service	(\$16,011)	(\$19,693)	(\$20,185)
Fringe Benefits	(\$5,336)	(\$6,564)	(\$6,728)
Expense & Equipment	<u>(\$3,652)</u>	<u>(\$207)</u>	<u>(\$212)</u>
<b>Total Costs–DPR</b>	<b><u>(\$24,999)</u></b>	<b><u>(\$26,464)</u></b>	<b><u>(\$27,125)</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2002 (10 Mo.)	 FY 2003	 FY 2004
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

### FISCAL IMPACT - Small Business

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

## DESCRIPTION

This act modifies the regulation of physician's assistants. Section 334.735 currently regulates physician's assistants (PA). The act modifies the definition of "supervision" to require "direct, on-site" control in the same office where a physician is present. The act prohibits a PA from performing any of the procedures listed in 334.735.3 on a new patient without the prior review of the supervising physician. For the treatment of existing patients, the PA must obtain prior approval through a documented order, signed and dated by the physician. Any PA practicing under a physician supervision agreement must notify the Board of Registration for the Healing Arts in order for the Board to track the agreement and make it available to the public. Language is also added requiring PAs to carry individual liability insurance in an amount no less than one million dollars. Finally, a new subsection 10 is added to state that it will be against public policy to make contracts or agreements that require a physician to supervise a PA without also providing a right to refuse supervision if the PA is not believed to be appropriately competent.

This act is identical to SB 874 (2000).

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 Economic Development  
Division of Professional Registration  
Department of Social Services  
Department of Health



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Director

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