

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0058-01
Bill No.: HB 504
Subject: Economic Development Dept.; Licenses - Professional; Psychologists
Type: Original
Date: March 16, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(Unknown exceeding \$31,725)	(Unknown exceeding \$38,070)	(Unknown exceeding \$38,070)
Total Estimated Net Effect on General Revenue Fund	(Unknown exceeding \$31,725)	(Unknown exceeding \$38,070)	(Unknown exceeding \$38,070)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Psychology	\$20,000	\$300	\$20,900
Total Estimated Net Effect on <u>Other</u> State Funds	\$20,000	\$300	\$20,900

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0*	\$0*	\$0*

* Unknown income and expenditures exceeding \$61,000 annually net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)** state the proposal allows additional treatment personnel who have met educational and training requirements set by the Committee of Psychologists within the Department of Economic Development to prescribe certain specific medications for their clients. This does not involve action on the part of the DMH nor does it impose a fiscal impact upon the department.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume the proposal will cause a fiscal impact to the DMS. The amount is unknown, but greater than \$100,000. The proposal would allow psychologists with the proper training and licensure to prescribe certain medications.

Psychotropic drugs are currently covered under Medicaid and recipients receive a prescription for these drugs from a physician or psychiatrist. An increase in utilization and pharmacy expenditures are expected because there will be an increase in prescribing providers for mental health services.

ASSUMPTION (continued)

Psychology services are already covered under the Medicaid program for children under the age of 21, so an increase in these services is not expected.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** provide the State Committee on Psychologists estimate that approximately 200 licensed psychologists will apply to the committee the first year for prescribing authority. The DED-PR assumes a 3% growth rate and estimates \$20,000 in revenue for FY 06; \$300 in revenue for FY 07; and \$20,900 in revenue for FY 08 deposited into the Psychology Fund using the current \$100 biennial health service provider licensing fee.

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

It is also assumed a national examination will be utilized for examinations. However, if the board elects to develop its own examination, the cost is estimated to be \$10,000 to \$50,000. It is assumed that the examination fee will be paid directly to the testing service by the exam applicant.

Officials from the **Office of Secretary of State (SOS)** state the proposal creates the category of licensed prescribing psychologists. The proposal will result in the Division of Professional Registration promulgating rules to implement the legislation. These rules will be published in the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the Division of Professional Registration could require as many as 10 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not published in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded, and withdrawn. The SOS estimates the cost of the proposal to be \$615 [(10 pgs. X \$27) + (15 pgs. X \$23)] for FY 06.

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 appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services - Division of Medical Services</u>			
Increase in Medicaid program costs	<u>(Unknown greater than \$31,725)</u>	<u>(Unknown greater than \$38,070)</u>	<u>(Unknown greater than \$38,070)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown greater than \$31,725)</u>	<u>(Unknown greater than \$38,070)</u>	<u>(Unknown greater than \$38,070)</u>
PSYCHOLOGY FUND			
<u>Income - Department of Economic Development -Division of Professional Registration</u>			
Licensing fees	<u>\$20,000</u>	<u>\$300</u>	<u>\$20,900</u>
ESTIMATED NET EFFECT ON PSYCHOLOGY FUND	<u>\$20,000</u>	<u>\$300</u>	<u>\$20,900</u>
FEDERAL FUNDS			
<u>Income - Department of Social Services - Division of Medical Services</u>			
Increase in Medicaid program reimbursements	Unknown exceeding \$51,608	Unknown exceeding \$61,960	Unknown exceeding \$61,960
<u>Costs - Department of Social Services - Division of Medical Services</u>			
Increase in Medicaid program payments	<u>(Unknown exceeding \$51,608)</u>	<u>(Unknown exceeding \$61,960)</u>	<u>(Unknown exceeding \$61,960)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2006
(10 Mo.)

FY 2007

FY 2008

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal would directly impact small business psychologists who obtain prescribing authority.

DESCRIPTION

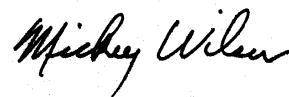
This proposal creates the classification of licensed prescribing psychologist under the State Committee of Psychologists. Persons licensed as prescribing psychologists will be authorized to prescribe Schedule II psychotropic medicine or any other psychological treatment or laboratory test as it relates to the practice of psychology, including electrical convulsive therapy.

Prescribing psychologist licenses will only be issued to licensed psychologists which meet certain criteria established by the proposal. These requirements include completing one year of supervision with at least 100 patients consistent with supervision-preceptorship models recommended by the American Psychological Association; completing 300 hours of didactic educational training recommended by the American Psychological Association; and passing a national exam testing competency to engage in the practice of prescriptive authority. The Division of Professional Registration may promulgate rules creating additional requirements based on current educational guidelines established by the American Psychological Association.

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 Mental Health
Department of Social Services
Office of Secretary of State



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