

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0305-01
Bill No.: HB 61
Subject: Boards, Commissions, Committees, Councils; Economic Development Dept.;
 Health Care; Health Care Professionals; Licenses - Professional; Medical
 Procedures and Personnel
Type: Original
Date: February 4, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Medical Imaging and Radiation Therapy	\$0	\$357,836	(\$189,593)
PR Fees Fund	(\$22,343)	\$22,343	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$22,343)	\$380,179	(\$189,593)

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$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 **Office of State Courts Administrator, Department of Social Services, Missouri Consolidated Health Care Plan, Department of Insurance, Missouri Senate, Office of the Governor and Office of State Public Defender** assume the proposal would have no fiscal impact on their organizations.

Officials from the **Office of Prosecution Services** assume the proposal will not have a significant, direct fiscal impact on county prosecutors.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY 03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender per year).

ASSUMPTION (continued)

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of Secretary of State (SOS)** state the proposal enacts the Medical Imaging and Radiation Therapy Quality Assurance Act of 2005. Based on experience with other divisions, the rules, regulations and forms issued by the Division of Professional Registration would require approximately 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.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** provide the following assumptions related to this proposal:

Based on an estimate of Occupational Projections by the DED, Missouri Works, Labor Market Information for nuclear medical technologists, radiologic technologies, and radiation therapists, it is estimated there are approximately 5,140 individuals in the state of Missouri that will be required to be licensed. The DED-PR assumes a fee of \$125 will be paid for all categories of licensure with biennial renewal. The DED-PR estimates a 3% growth rate and assumes licensure begins in FY 07, resulting in revenue to the Medical Imaging and Radiation Therapy Fund of \$642,500 in FY 07. Revenues for FY 08 are estimated to be \$11,565.

The DED-PR assumes all fees collected and all expenses would be deposited into and paid out of the Medical Imaging and Radiation Therapy Fund. The DED-PR notes expenses occurring prior to an appropriation (FY 06) would be borrowed from another fund within Professional Registration and paid back in FY 07 or FY 08.

ASSUMPTION (continued)

The DED-PR assumes implementation of the proposal will require hiring an additional 1.5 FTE in FY 07, as follows: Principal Assistant (0.5 FTE at \$59,532) to serve as the senior executive officer of the agency, Licensure Technician II (0.5 FTE at \$26,292) to provide technical support, process applications for licensure and respond to any inquiries related to the licensure law or rules & regulations, and an Account Clerk II (0.5 FTE at \$24,984) to provide support for DED-PR Central Accounting and Central Cash Receiving Room. The DED-PR assumes rental space will be needed for these additional FTE at an annual cost of approximately \$4,155.

The DED-PR assumes the eleven (11) member board would meet four (4) times per year for two (2) days per meeting, in Jefferson City. The DED-PR notes the Principal Assistant, Licensure Technician and an Attorney General representative will also attend the meeting. The DED-PR assumes there would be four (4) meetings in FY 06 to promulgate rules and regulations. It is estimated that each board member will receive reimbursement for expenses for each day conducting board business. The proposal does not allow members to receive any other compensation.

The DED-PR assumes 182 complaints would be received each year and would require, on average, five hours each to complete. The DED-PR estimates 30% of these complaints (55) will require field investigations, each needing 30 hours of field work and one night's lodging. Travel expenses for the investigation are estimated at \$18,590 annually. The DED-PR assumes complaints and investigations would not start until FY 08.

The DED-PR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO). The DED-PR estimates 25% of investigations (14) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, the DED-PR estimates \$75,600 annually beginning in FY 08. The DED-PR also estimates the AGO would provide approximately 60 hours of assistance with rules, opinions and meetings per year. Assuming an hourly rate of \$60.87, these costs are estimated at \$3,652 yearly beginning in FY 06.

The DED-PR assumes printing and postage costs will be incurred in the first year for statute and rule mailings and for startup printing of rules, applications, letterhead and envelopes. The DED-PR estimates printing and postage costs at \$6.25 per licensee in the first year, for a total cost of \$32,125. Subsequent years' printing and postage costs are expected to be \$5,500 annually, based on a similarly-sized board.

The DED-PR assumes licensed medical imaging and radiation therapists will represent 1.49% of DED-PR's overhead. As such, the board will be required to reimburse the Division and the Department of Economic Development for its share of administrative overhead costs, \$42,503 per annum. The DED-PR assumes these costs will begin in FY 06.

ASSUMPTION (continued)

For fiscal note purposes only, **Oversight** assumes the following:

- 1) The \$42,503 in administrative costs will generally offset the required reimbursement of other funds, and will not be used for the new FTE.
- 2) Rental space will not be required for three additional part time FTE. Additional furniture and equipment will not be required for the 0.5 FTE positions.
- 3) **Oversight** has, for fiscal note purposes only, changed the starting salary for the Licensure Technician II and the Account Clerk II to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.
- 4) Fees have been adjusted to reflect an amount needed to cover operations of the board. Biennial fees of \$100 result in revenue of \$514,000 for the Medical Imaging and Radiation Therapy Fund for FY 07 and \$14,500 for the fund for FY 08. Sufficient fee income should be generated during each biennial fee cycle to cover expenses of operations during the second year of the cycle.

Officials from the **Office of Attorney General (AGO)** state the proposal creates a new licensing board within the Division of Professional Registration. The Board has the power to license, accredit, discipline, and hear appeals. The AGO assumes it would need one-half (½) Assistant Attorney General I to assist the Board in the rule-making process, licensing, and investigating matters, including the issuance of subpoenas. The AGO estimates personnel service, fringe benefits and equipment and supply costs for FY 06 to be \$27,890; FY 07 costs of \$33,569; and FY 08 costs of \$34,458.

Oversight assumes costs incurred by the AGO's office will be reimbursed by the Medical Imaging and Radiation Therapy Fund.

This proposal will result in an increase in total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
MEDICAL IMAGING AND RADIATION THERAPY FUND			
<u>Transfer-In - DED-PR</u>			
Transfer from PR Fees Fund	\$22,343	\$0	\$0
<u>Income - DED-PR</u>			
Licensure Fees/Renewals	\$0	\$514,000	\$15,500
<u>Costs - DED-PR</u>			
Personal Service (1.5 FTE)	\$0	(\$54,660)	(\$56,027)
Fringe Benefits	\$0	(\$23,318)	(\$23,901)
Expense and Equipment	(\$18,691)	(\$52,191)	(\$45,913)
AGO Costs	<u>(\$3,652)</u>	<u>(\$3,652)</u>	<u>(\$79,252)</u>
Total <u>Costs</u> - DED-PR	(\$22,343)	(\$133,821)	(\$205,093)
<u>Transfer-Out - DED-PR</u>			
Transfer to PR Fees Fund	<u>\$0</u>	<u>(\$22,343)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON MEDICAL IMAGING AND RADIATION THERAPY FUND	<u>\$0</u>	<u>\$357,836</u>	<u>(\$189,593)</u>
PR FEES FUND			
<u>Transfer-In - DED-PR</u>			
Transfer from Medical Imaging and Radiation Therapy Board Fund	\$0	\$22,343	\$0
<u>Transfer-Out - DED-PR</u>			
Transfer to Medical Imaging and Radiation Therapy Board Fund	<u>(\$22,343)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PR FEES FUND	<u>(\$22,343)</u>	<u>\$22,343</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 may fiscally impact small businesses or small businesses that employ radiation and medical imaging therapists.

DESCRIPTION

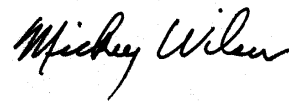
This proposal changes the laws regarding medical imaging and radiation therapy and will be known as the Medical Imaging and Radiation Therapy Quality Assurance Act of 2005. The proposal: (1) Creates the Medical Imaging and Radiation Therapy Board of Examiners within the Division of Professional Registration; (2) Requires all persons administering medical imaging and radiation therapy procedures to be licensed by the board; (3) Exempts physicians, dentists, chiropractors, podiatrists, registered nurses, certain qualified persons currently practicing medical imaging and radiation therapy from licensure; (4) Establishes certain criteria to be met by applicants for licensure as radiographers, radiation therapists, nuclear medicine technologists, and dental radiographers; (5) Authorizes the board to certify programs for medical imaging and radiation therapy in medical facilities, dental facilities, educational institutions, or other public or private institutions; (6) Authorizes the board to adopt rules; give examinations; waive examination requirements; establish continuing education; issue temporary permits; and renew, revoke, and suspend licenses; and (7) Authorizes the board to investigate charges and allegations brought against licensees, issue subpoenas, hold hearings, render judgments, and hear appeals.

The bill contains a penalty provision.

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

Office of Attorney General
Office of the Governor
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Corrections
Department of Social Services
Missouri Consolidated Health Care Plan
Department of Insurance
Office of Prosecution Services
Missouri Senate
Office of Secretary of State
Office of State Public Defender



Mickey Wilson, CPA
Director
February 4, 2005