

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1242H.01I  
 Bill No.: HB 348  
 Subject: Physicians; Professional Registration and Licensing  
 Type: Original  
 Date: January 23, 2023

Bill Summary: This proposal establishes Missouri as a member of the Interstate Medical Licensure Compact.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<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>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Board of Registration for the Healing Arts Fund (0634)	\$0 or (Could be less than \$257,062)	\$0 or (Could be less than \$264,160)	\$0 or (Could be less than \$265,693)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or (Could be less than \$257,062)</b>	<b>\$0 or (Could be less than \$264,160)</b>	<b>\$0 or (Could be less than \$265,693)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Board of Registration for the Healing Arts Fund (0634)	Up to 3 FTE	Up to 3 FTE	Up to 3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Up to 3 FTE</b>	<b>Up to 3 FTE</b>	<b>Up to 3 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 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 334.1600 -334.1720– 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)
\$75	License Fee
\$100	Renewal Fee
175	Applications for letters of qualification (Board Estimate)
\$300	(\$300 of the \$700 fee paid to the Compact for letters of qualification)

- 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 2025
- Under some compacts, the compact keeps a percentage of the license fee. For instance, under the PT Compact the licensee pays \$25 for a license. The board receives \$19 and the Compact retains \$6. At this time, DCI does not know what percentage, if any, the Medical Compact will keep.
- Board licensure fees will have to be increased to cover the costs of the Compact.

In summary, DCI assumes a revenue of \$69,375 (225 applicants x \$75 fee + 175 applicants for letters of qualification x \$300 onetime fee) in FY 2025 and \$2,025 in FY 2026 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

- 1 Legal Counsel (\$70,000/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 Customer Service Representative (\$35,000/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 (\$38,000/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 7 complaints. The division does not anticipate receiving any complaints until FY 2025. 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 commission may charge participating boards an assessment if the projected revenue shortfall is greater than 50% of the reserve fund at the time the budget is adopted. This amount is unknown.

In summary, DCI assumes a cost of \$257,062 in FY 2024, \$264,160 in FY 2025 and \$265,693 in FY 2026 to provide for the implementation of the changes in this proposal.

**Oversight** assumes DCI is provided with core funding to handle a certain amount of activity each year. Oversight assumes DCI could absorb some of the FTE costs related to this proposal. Therefore, Oversight will reflect the cost and the FTE as "up to" the estimate provided by DCI to the Professional Registration Fee Fund (0689).

**Oversight** will also reflect a possibility that not enough other states will join the Compact, therefore, Oversight will reflect a \$0 impact to Missouri until that threshold is reached.

**Oversight** notes that the balance in the Board of Registration for the Healing Arts Fund (0634) was \$8,663,267 as of December 2022.

**Oversight** notes the fiscal impact of this legislation differs from years past due to updated estimates. The Board of Healing Arts does not currently have a \$300 licensing fee, so it would update to a \$75.00 License Fee and \$100.00 Renewal fee.

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 2024 (10 Mo.)	FY 2025	FY 2026
<b>BOARD OF REGISTRATION FOR THE HEALING ARTS FUND (0634)</b>			
<u>Revenue</u> – DCI -§334.290 interstate medical licensure compact	\$0	\$0 or \$69,375	\$0 or \$2,025
<u>Cost</u> – DCI - §334.290	\$0 or ....	\$0 or....	\$0 or.....
Personal Service	(Up to \$119,167)	(Up to \$145,860)	(Up to \$148,777)
Fringe Benefits	(Up to \$83,545)	(Up to \$101,324)	(Up to \$102,416)
Equipment and Expense	(Up to \$42,500)	\$0	\$0
Other Fund Cost	(Up to \$11,850)	(Up to \$16,976)	(Up to \$14,500)
<u>Total Cost</u> – DCI	Up to (\$257,062)	(Up to \$264,160)	(Up to \$265,693)
FTE Change – DCI	Up to 3 FTE	Up to 9 FTE	Up to 9 FTE
<b>ESTIMATED NET EFFECT ON BOARD OF REGISTRATION FOR THE HEALING ARTS FUND (0634)</b>	<b><u>\$0 or (Could be less than \$257,062)</u></b>	<b><u>\$0 or (Could be less than \$264,160)</u></b>	<b><u>\$0 or (Could be less than \$265,693)</u></b>
Estimated Net FTE Change to the Board of Registration for the Healing Arts Fund (0634)	Up to 3 FTE	Up to 3 FTE	Up to 3 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<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.

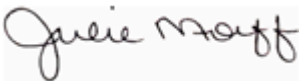
The Compact will only be effective once seven states have enacted legislation to join the Compact.

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

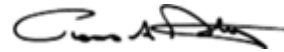
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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  
January 23, 2023



Ross Strobe  
Assistant Director  
January 23, 2023