

# ***Fiscal Note & Local Impact Statement***

*123<sup>rd</sup> General Assembly of Ohio*

**BILL:** Sub. H.B. 90 **DATE:** September 30, 1999

**STATUS:** As Reported by House Health Retirement and Aging **SPONSOR:** Rep. Terwilleger

**LOCAL IMPACT STATEMENT REQUIRED:** No — No local cost

**CONTENTS:** Permits physicians to use alternative medical treatments provided that the treatment is consistent with the standards enforced by the State Medical Board of Ohio.

## ***State Fiscal Highlights***

<b>STATE FUND</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FUTURE YEARS</b>
<b>State Medical Board Operating Fund (5C6)</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential minimal increase	Potential minimal increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2000 is July 1, 1999 – June 30, 2000.

- The changes to the medical practice act as a result of this bill could potentially cause an increase in investigations that the board must perform. The average cost of a single investigation is \$660 and the average cost of a single adjudicatory hearing is \$3,900.

## ***Local Fiscal Highlights***

- No direct fiscal effect on political subdivisions.



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## ***Detailed Fiscal Analysis***

This bill permits physicians licensed by the State Medical Board under Chapter 4731. of the Revised Code to employ alternative medical practices with the informed consent of their patients, provided that the treatment is consistent with the standards enforced by the Board under the Medical Practice Act and any rules adopted by the Board. The only potential source of fiscal impact, albeit minimal, arises from the potential occurrence of misuse of alternative treatments by physicians.

The bill defines alternative medical treatment as a treatment that differs from the “treatments used in accepted or prevailing standards of medical care but is reasonable when its benefits are compared to the risk of harm of the alternative medical treatment itself or the failure to utilize accepted or prevailing standards of medical care.”

In cases where it appears that a licensed physician has violated the standards of care, the Medical Board will be required to investigate the potential violations. LBO estimates that the number of potential cases should not be large enough to fiscally burden the investigative unit at the Board. On average, the Board spends \$660 per incident to investigate potential violations. This figure was obtained by dividing the total payroll for enforcement and investigations in FY 1999 (\$1,642,933) by the total number of investigations in calendar year 1998 (2488).

For a serious violation of the medical practice act, however, the Board may face expenses averaging approximately \$3,900 per adjudicatory hearing. This estimate was obtained by dividing the expenditures for hearing officers, court reporters, and experts in FY 1999 (\$303,937) by the total number of Chapter 119. hearings in CY 1998 (79 hearings).

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