Fiscal Note & Local Impact Statement

127 th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Am. Sub. S.B. 279** DATE: **December 17, 2008**

STATUS: **As Passed by the House** SPONSOR: **Sen. Schuring**

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

CONTENTS: **Revises the law regarding certain State Medical Board licensing, registration, and renewal procedures and the submission of information by hospitals in meeting certain performance measures**

State Fiscal Highlights

STATE FUND	FY 2009 and FUTURE YEARS
General Revenue Fund (Department of Health)	
Revenues	- 0 -
Expenditures	Potential minimal increase due to administrative costs for children's hospital inpatient and outpatient service measures
Fund 5C6 (State Medical Board Operating Fund)	
Revenues	Potential minimal gain due to fees for visiting medical faculty certificates
	Potential gain of up to $8,550 in fees due to massage or cosmetic therapist exam eligibility
	Potential loss due to fees for physician assistants who are Veterans Administration employees
Expenditures	Potential minimal savings due to registration procedures
	Potential increase in administrative costs to administer exam to massage and cosmetic therapists (offset by fee revenue)

Note: The state fiscal year is July 1 through June 30. For example, FY 2009 is July 1, 2008 – June 30, 2009.

- ***Registration for physicians and podiatrists.*** The bill modifies the procedures for biennial registration renewal for a physician or podiatrist and eliminates the requirement of providing a printed list of registered physicians and podiatrists. These provisions may result in minimal savings to the State Medical Board.

- ***Duration of visiting medical faculty certificates.*** The bill increases the duration of a visiting medical faculty certificate. This may result in a slight increase in applications, which would result in a minimal gain in fee revenue to the State Medical Board.

- ***Effect of physician assistant laws on Veterans Administration employees.*** The bill exempts medical personnel employed by the Veterans Administration from the laws governing the practice of physician assistants. Depending on the number of individuals who qualify for the exemption, there may be a loss of fee revenue to the State Medical Board.

- ***Criteria for admission to massage or cosmetic therapist examinations.*** The bill allows an applicant for a certificate to practice massage therapy or cosmetic therapy to be admitted to the State Medical Board's examination on the basis of being licensed in another state or holding national certification. Annually, approximately 25 to 30 additional individuals are estimated to qualify to sit for the exam, which would result in a revenue gain of up to $8,550 for the State Medical Board.

- ***Hospital performance measures.*** The bill requires the Director of Health to appoint a group of experts in pediatric medicine to develop, on an ongoing basis, recommendations regarding measures for children's hospital inpatient and outpatient services and submit those recommendations to the Hospital Measures Advisory Council. The Ohio Department of Health may experience a minimal increase in costs to make such appointments and to provide administrative services to this group.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Registration for physicians and podiatrists

The bill modifies the procedures used for the biennial registration renewal of a physician or podiatrist. The modifications primarily eliminate specificity of the procedures and instead grant general authority to the State Medical Board to prescribe the procedures. The bill also eliminates provisions in current law that require the State Medical Board to publish and mail, upon request, a printed list of all registered physicians or podiatrists.

These provisions may result in minimal savings to the State Medical Board as a result of lessening the specific procedural requirement associated with certificates of renewal and eliminating the requirement regarding publishing, and mailing on request, a printed list of registered physicians and podiatrists.

Duration of visiting medical faculty certificates

The State Medical Board is permitted to issue a visiting medical faculty certificate to a physician licensed in another state that has been appointed to serve in Ohio on the academic staff of a medical school. The bill increases the duration of a visiting medical faculty certificate from one year to three years and the fee from $125 to $375. In addition, the bill allows for visiting medical faculty who received their certificate prior to the bill's effective date to apply for a second visiting medical faculty certificate provided their first had not been revoked.

At present, there are four visiting medical faculty certificate holders. Under current law, a visiting medical faculty certificate is not renewable. By increasing the duration of time for which the certificate is valid, the State Medical Board believes that it may be more attractive for physicians from other states to come and teach at an Ohio medical school. The Board anticipates a slight increase in applications, which would result in a minimal gain in fee revenue to the Board.

Effect of physician assistant laws on Veterans Administration employees

The bill exempts medical personnel employed by the Veterans Administration (VA) from the laws governing the practice of physician assistants.

Currently, the fee for a physician assistant to obtain a certificate to practice is $200 and a two-year renewal is $100. Depending on the number of individuals who qualify for the new exemption, there may be a loss of fee revenue to the State Medical Board. In Ohio there are 5 VA Medical Centers, 2 outpatient clinics, 28 community-based outpatient clinics, and 6 Vet Centers. LSC staff contacted the VA and requested information on the number of physician assistants employed by the VA in Ohio. At the time of this writing, LSC staff had not yet received the requested information. Therefore, quantifying the magnitude of the fee revenue loss to the Board is not possible at this time.

Criteria for admission to massage or cosmetic therapist examinations

The bill allows an applicant for a certificate to practice massage therapy or cosmetic therapy to be admitted to the State Medical Board's examination on the basis of being licensed in another state or holding national certification.

As a result of these provisions, the State Medical Board expects that, annually, approximately 25 to 30 additional individuals will qualify to sit for the exam. The current cost to take the exam is comprised of two separate fees. The preliminary education fee is $35 and the examination fee is $250. The additional fees could result in a revenue gain of up to $8,550 (($250 + $35) x 30) for the State Medical Board. In addition, the Board will experience a corresponding increase in administrative costs to review these additional applications, administer the examination, and issue the certificate. The collection of fees would presumably offset any increase in administrative costs.

Staggered certificate renewal cycle for limited branches of medicine

The bill requires the State Medical Board to establish a staggered renewal cycle for massage and cosmetic therapists, naprapaths, and mechanotherapists. The bill also requires that renewal fees be prorated to accommodate the varying lengths of time that the certificates would be valid during the transition period. The current two-year certificate renewal fee charged by the State Medical Board for this group of licensees is $50.

During the transition period when renewal fees are prorated, the Board will likely experience a slight change in when it receives renewal fee revenue for this group of certified professionals. The timing change of those revenue receipts will not affect the Board's operations.

Hospital performance measures

The bill requires the Director of Health to appoint a group of experts in pediatric medicine to develop, on an ongoing basis, recommendations regarding measures for children's hospital inpatient and outpatient services and submit those recommendations to the Hospital Measures Advisory Council. The members are to serve without compensation or reimbursement. The bill prohibits that rules adopted by the Director regarding hospital performance measures do either of the following: (1) require hospitals to submit information regarding a performance, quality, or service measure for which the hospital does not provide the services; or (2) require children's hospitals to report a performance, quality, or service measure for patients 18 years old or older.

The Ohio Department of Health could realize a minimal increase in costs related to appointing a group of experts in pediatric medicine. The Department could incur some ongoing minimal costs for providing administrative services to the group.

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