



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 412 of the 130th G.A.](#)

Date: May 23, 2014

Status: As Passed by the House

Sponsor: Rep. Gonzales

Local Impact Statement Procedure Required: No

Contents: To revise the law governing the practice of physician assistants

State Fiscal Highlights

- The bill eliminates the physician assistant certificate to prescribe and the provisional certificate to prescribe. As a result, the State Medical Board would lose approximately \$24,300 per year in certificate fee revenue. This loss of fee revenue could be offset by a reduction in administrative costs, as applications for the certificate to prescribe will no longer be processed. The current fee for the certificate to prescribe is \$200.
- The bill increases the fees to be paid by a physician assistant for a license from \$200 to \$500 for an initial license and from \$100 to \$200 for a license renewal. According to the Board's annual report, in FY 2013 the Board issued 248 initial certificates. In FY 2012, the Board renewed 2,280 certificates. License renewals typically occur in even-numbered years. Thus, there will be a revenue gain of \$74,400 ($\300×248) in fee revenue from new licenses and a gain of \$228,000 ($\$100 \times 2,280$) in fee revenue from the increase in physician assistant renewal fees. The fiscal impact on renewal fees would occur in even-numbered years.
- The bill eliminates the \$25 fee for submitting a supervision agreement of a physician assistant on July 1, 2015. According to the Board, in FY 2013 the Board processed 2,214 new supervision agreements, collecting \$55,350 in revenue ($\$25 \times 2,214$) and processed 7,287 renewals of the supervision agreement, collecting \$182,175 in revenue ($\$25 \times 7,287$). Thus, the total loss of revenue from the proposed change would have been \$232,525 ($\$182,175 + \$55,350$) for FY 2013.
- The bill removes the requirement that a supervision agreement for any "special services" to be performed by a physician assistant be submitted to the Board. There could be a reduction in administrative costs, as these agreements will no longer require Board approval. According to the Ohio Hospital Association (OHA), there could also be a small reduction in administrative costs to state and county hospitals as these supervisory documents will no longer need to be submitted to the Board.

- The bill modifies the State Medical Board's review period of physician assistant supervision agreements, stating that the supervision agreement would go into effect after five business days unless the Board relays a deficiency to the supervising physician. There could be an increase in administrative costs if supervision agreements need to be reviewed in a shorter period of time.
- The bill makes several changes to the physician assistant supervision agreement between the supervising physician and the physician assistant. According to OHA, there could be a small reduction in costs to state hospitals if there is a reduction in the paperwork required.
- The bill changes the name of the "certificate to practice" issued to physician assistants to "license." According to the State Medical Board, there could be an increase in administrative costs to the Board to begin issuing licenses instead of certificates.
- The bill requires, when a physician assistant's certification by the National Commission on Certification of Physician Assistants expires, lapses, or is suspended or revoked, that the physician assistant report to the State Medical Board within 14 days upon receiving notice from the Commission. The bill also extends the Board's authority to limit, revoke, or suspend an individual's license to practice as a physician assistant or prescriber number, refuse to issue a license to an applicant, refuse to reinstate a license, or reprimand or place on probation the holder of a license if a physician's certification by the National Commission on Certification of Physician Assistants or a successor organization expires, lapses, or is suspended or revoked. There could be an increase in costs to the Board if there are additional disciplinary actions required.
- The bill revises the education and experience requirements for physician assistants and the requirements to receive a prescriber number from the State Medical Board. As a result, there could be an increase in administrative costs to the Board to accept the new educational qualifications.
- The bill modifies the services that a physician assistant can perform. According to OHA, there could be a reduction in costs for state and county hospitals if a physician assistant is available and can perform these services, allowing a supervising physician to attend to other patients.

Local Fiscal Highlights

- The bill removes the requirement that a supervision agreement for any "special services" to be performed by a physician assistant be submitted to the Board. There could be a reduction in administrative costs, as these agreements will no longer require Board approval. According to the Ohio Hospital Association (OHA), there could also be a small reduction in administrative costs to state and county hospitals as these supervisory documents will no longer need to be submitted to the Board.

- The bill makes several changes to the physician assistant supervision agreement between the supervising physician and the physician assistant. According to OHA, there could be a small reduction in costs to county hospitals if there is a reduction in paperwork required.
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Detailed Fiscal Analysis

Prescriptive authority

The bill eliminates the physician assistant certificate to prescribe and the provisional certificate to prescribe. Under the bill, a physician assistant who holds a valid prescriber number issued by the State Medical Board is authorized to prescribe and personally furnish drugs and therapeutic devices in exercise of physician-delegated prescriptive authority. As a result, the Board would lose approximately \$24,300 per year in certificate fee revenue. This loss of fee revenue could be offset by a reduction in administrative costs, as applications for the certificate to prescribe will no longer be processed. The current fee for the certificate to prescribe is \$200.

Physician supervision of physician assistants

The bill modifies the State Medical Board's review period of physician assistant supervision agreements, stating that the supervision agreement would go into effect after five business days unless the Board relays a deficiency to the supervising physician. There could be an increase in administrative costs if supervision agreements need to be reviewed in a shorter period of time.

The bill eliminates the \$25 fee for submitting a supervision agreement of a physician assistant on July 1, 2015. According to the Board, in FY 2013 the Board processed 2,214 new supervision agreements, collecting \$55,350 in revenue ($\$25 \times 2,214$) and processed 7,287 renewals of the supervision agreement, collecting \$182,175 in revenue ($\$25 \times 7,287$). Thus, the total loss of revenue from the proposed change would have been \$232,525 ($\$182,175 + \$55,350$) for FY 2013.

The bill requires the Board to post on its website a copy of each initial, amended, or renewed supervision agreement it receives five business days or less from the date the copy is received. There would be an increase in administrative costs to the Board to post the supervision agreements on their website.

The bill also makes several changes to the physician assistant supervision agreement between the supervising physician and the physician assistant. These changes include: modifying the distance a physician assistant can be from where a physician assistant is practicing, removing the requirement that the supervising physician regularly review the condition of the patients treated by the physician assistant, and increasing the number of physician assistants a physician may supervise from two to three. According to OHA, there could be a small reduction in costs to state and county hospitals if there is a reduction in the paperwork required.

The bill removes the requirement that a supervision agreement for any "special services" to be performed by a physician assistant be submitted to the Board. There could be a reduction in administrative costs, as these agreements will no longer require Board approval. According to the Ohio Hospital Association (OHA), there could also be a small reduction in administrative costs to state and county hospitals as these supervisory documents will no longer need to be submitted to the Board.

Physician assistant license

The bill changes the name of the "certificate to practice" issued to physician assistants to "license" and requires the State Medical Board to begin issuing licenses instead of certificates to practice not later than 90 days after the bill takes effect. According to the State Medical Board, there could be an increase in administrative costs to the Board to begin issuing licenses instead of certificates.

The bill increases the fees to be paid by a physician assistant for a license from \$200 to \$500 for an initial license and from \$100 to \$200 for a license renewal. According to the Board's annual report, in FY 2013 the Board issued 248 initial certificates. In FY 2012, the Board renewed 2,280 certificates. License renewals typically occur in even-numbered years. Thus, there will be a gain of \$74,400 ($\300×248) in fee revenue from new licenses and a gain of \$228,000 ($\$100 \times 2,280$) in fee revenue from the increase in physician assistant renewal fees. The fiscal impact on renewal fees would occur in even-numbered years.

Educational requirements of physician assistants

The bill revises the education and experience requirements for physician assistants and the requirements to receive a prescriber number from the State Medical Board. The bill provides that a physician assistant who holds a license issued by the Board may exercise physician-delegated prescriptive authority if the physician assistant holds a master's or higher degree or had prescriptive authority while practicing in another jurisdiction and have been in active practice in any jurisdiction throughout the three-year period immediately preceding the date of the application or the military.

The bill also permits the Board to grant authority to exercise physician-delegated prescriptive authority to a physician assistant who obtained a license without having first obtained a master's or higher degree if the physician assistant later obtains such a degree. As a result, there could be an increase in administrative costs to the Board to accept the new educational qualifications.

Loss of national certification

The bill requires, when a physician assistant's certification by the National Commission on Certification of Physician Assistants expires, lapses, or is suspended or revoked, that the physician assistant report to the State Medical Board within 14 days upon receiving notice from the Commission. The bill also extends the Board's authority to limit, revoke, or suspend an individual's license to practice as a physician assistant or prescriber number, refuse to issue a license to an applicant, refuse to reinstate a license,

or reprimand or place on probation the holder of a license if a physician's certification by the National Commission on Certification of Physician Assistants or a successor organization expires, lapses, or is suspended or revoked. There could be an increase in costs to the Board if there are additional disciplinary actions required.

Physician assistant services

The bill modifies the services that a physician assistant can perform. The bill also permits a physician assistant to delegate a task the supervising physician is authorized to perform that implements the plan of care for a patient within the supervision agreement between the physician and the physician assistant. According to OHA, there could be a reduction in costs for state and county hospitals if a physician assistant is available and can perform these services, allowing a supervising physician to attend to other patients. There could also be a reduction in costs for state and county hospitals if a delegated individual is able to perform a service instead of the physician assistant.

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