



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 412 of the 130th G.A.](#) **Date:** December 16, 2014

Status: As Passed by the Senate **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. The bill permits the State Medical Board to review the supervision agreement at any time. 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.
- The bill permits an advanced practice registered nurse (APRN) to delegate to a person not otherwise authorized to administer drugs the authority to administer a drug to a specified patient if certain conditions are met. The bill also requires the Ohio Board of Nursing to establish standards and procedures for delegation of the authority to administer drugs. The bill would likely result in a minimal increase in costs to the Ohio Board of Nursing. There would also be costs for the Ohio Board of Nursing to adopt rules and to establish standards and procedures, as directed under the bill.

- The bill modifies the required advanced pharmacology course of study the Ohio Board of Nursing approves that APRNs must take to be eligible for a certificate to prescribe, no longer requiring the course to include a planned classroom and clinical study. There could be additional educational programs that apply to be eligible to administer this course. There would be an increase in administrative costs to approve these courses.
- The bill provides an exemption from the requirement that motorsports parks be licensed if certain requirements are met. As a result, the Ohio Department of Health (ODH) may realize a loss of license revenue.
- The bill requires ODH to adopt rules establishing requirements and procedures governing the application for and granting of a waiver or variance from certain provisions of the recreational vehicle park law. As a result, ODH may realize an increase in administrative costs to adopt rules and to review waiver or variance applications.
- The bill would make peace officers, firefighters, and emergency medical workers diagnosed with post-traumatic stress disorders (PTSDs) arising from their employment eligible for medical and wage loss benefits under Ohio's Workers' Compensation Law. This could increase the number of medical and lost-time claims handled by the Bureau of Workers' Compensation.
- This expanded benefit related to PTSD could eventually increase workers' compensation premium rates for state agencies that employ law enforcement personnel covered under the bill (among them the Department of Public Safety, the Department of Natural Resources, and the Department of Taxation). The impact of such a rate increase on these state agency employers will depend on the volume and cost of new claims.

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.
- The bill allows proceedings for a mentally ill person subject to court order to be in a probate court in any county, rather than in the county where the mentally ill person subject to court order resides. As a result, it is possible that court costs could shift

from one probate court to another probate court if proceedings for a mentally ill person were initiated in a court that was not the person's residential county.

- The bill would make peace officers, firefighters, and emergency medical workers diagnosed with post-traumatic stress disorders (PTSDs) arising from their employment eligible for medical and wage loss benefits under Ohio's Workers' Compensation Law. There are approximately 34,000 peace officers, 42,000 firefighters, and approximately 42,000 emergency medical workers employed by public entities statewide, mostly among political subdivisions.
- Depending on new claims volume and medical and lost-time benefits owed, the expanded benefit under the bill could eventually increase workers' compensation premium rates for political subdivisions that pay into the State Insurance Fund, as well as increase claims costs for self-insured public employers.

Detailed Fiscal Analysis

Physician assistants

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

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. The bill permits the State Medical Board to review a supervision agreement at any time. 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 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, permitting a supervision agreement to apply to one or more physician assistants but not more than one physician, 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 permits the Board to impose a civil penalty of not more than \$1,000 if it finds through a review or any other means that a physician assistant has practiced pursuant to a supervision agreement that does not comply with the requirements for a supervision agreement. The bill also permits the Board to impose this same penalty on a physician who has acted as the supervising physician of a physician assistant pursuant

to a supervision agreement that fails to comply with the requirements for a supervision agreement. There could be an increase in investigation costs for any new investigations. If a physician or physician assistant is found to be out of compliance of this provision, the Board could gain an increase in fine revenue.

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

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 any physician assistant who has a valid certificate to prescribe immediately prior to the effective date of the bill to exercise physician-delegated prescriptive authority.

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.

In addition, the bill permits respiratory care professionals to perform within the scope of their practice pursuant to a prescription or other order for respiratory care issued by a physician assistant who has been granted physician-delegated prescriptive authority that allows the physician assistant to prescribe or order respiratory care services. The bill also permits a licensed practical nurse to receive direction from a physician assistant and to administer intravenous therapy and adult intravenous therapy at the direction of a 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.

Advanced practice registered nurses

Prescriptive authority

The bill permits an advanced practice registered nurse (APRN) to delegate to a person not otherwise authorized to administer drugs the authority to administer a drug to a specified patient if certain conditions are met. The APRN must be a clinical nurse specialist, certified nurse-midwife, or certified nurse practitioner and hold a certificate to prescribe issued by the Ohio Board of Nursing. The bill requires the Ohio Board of Nursing to establish standards and procedures for delegation of the authority to administer drugs.

Under current law, registered nurses and licensed practical nurses may delegate the authority to administer drugs in limited circumstances. These include: (1) delegating to medication aides employed in nursing homes or residential care

facilities the authority to administer prescription drugs to residents and (2) delegating to personnel providing certain services to individuals with developmental disabilities the authority to administer oral and topical medications and insulin in specified locations.

The bill would likely result in a minimal increase in costs to the Ohio Board of Nursing. Additional costs could result from handling increases in complaints, conducting investigations, and taking disciplinary action. There would also be costs for the Ohio Board of Nursing to adopt rules and to establish standards and procedures, as directed under the bill. Any increase in costs will be absorbed within the Ohio Board of Nursing's existing resources.

Pharmacology course of study

The bill modifies the required advanced pharmacology course of study the Ohio Board of Nursing approves that APRNs must take to be eligible for a certificate to prescribe, no longer requiring the course to include a planned classroom and clinical study. There could be additional educational programs that apply to be eligible to administer this course. There would be an increase in administrative costs to approve these courses.

Court-ordered treatment of mentally ill

The bill allows proceedings for a mentally ill person subject to court order to be in a probate court in any county, rather than in the county where the mentally ill person subject to court order resides. As a result, it is possible that court costs could shift from one probate court to another probate court if proceedings for a mentally ill person were initiated in a court that was not the person's residential county.

Motorsports park license exemption

Currently, every person who intends to operate a recreational vehicle park, recreation camp, or combined park-camp is required to obtain a license to operate the park or camp. The bill exempts a motorsports park from this license requirement if (1) it holds at least one annual event sanctioned by the National Association for Stock Car Auto Racing or the National Hot Rod Association during a motor sports racing event and (2) it provides parking for recreational vehicles, dependent recreational vehicles, and portable camping units that belong to participants in that event. The exemption established applies to participant-only areas during the time of preparation for and operation of the event. The Ohio Department of Health (ODH) may experience a loss of license revenue due to this provision.

The bill also allows a person to apply to the Director of Health for a waiver of or variance from a provision of the law regarding recreational vehicle parks. The Director may grant a waiver if the person demonstrates that the waiver or variance will not result in an adverse effect on the public health and safety. The bill requires ODH to adopt rules establishing requirements and procedures governing the application for and granting of a waiver or variance. ODH may experience an increase in

administrative costs to adopt rules and to review waiver or variance applications related to these provisions.

Emergency workers, PTSD, and workers' compensation

The bill allows a peace officer, firefighter, or emergency medical worker who is diagnosed with post-traumatic stress disorder (PTSD) resulting from his or her employment to be eligible to receive medical and lost-time benefits under Ohio's Workers' Compensation Law, regardless of whether the PTSD is connected to a compensable physical injury. According to the Ohio Peace Officer Training Academy's (OPOTA) annual report for FY 2013, there were 33,592 peace officers in Ohio. According to the National Fire Department Census Database, there are approximately 42,000 firefighters in Ohio. The Ohio Department of Public Safety's Division of Emergency Medical Services' FY 2013 annual report indicates there are 42,342 total emergency medical workers in Ohio. Extending these benefits to peace officers, firefighters, and EMS workers will increase both the number of claims filed and amount of medical benefits and lost time paid by the Bureau of Workers' Compensation (BWC) from the State Insurance Fund. There will be similar impacts on self-insured public employers.

Depending on the severity of the PTSD diagnosis, treatment may require time off from work. Consequently, a major factor in determining the fiscal impact of the bill on state and local public employers of peace officers and firefighters is the amount of additional lost-time claims that would be paid by BWC or would be self-insured. Lost-time benefits are based on an eligible claimant's wages. The National Bureau of Labor Statistics (BLS) data for 2013 indicate that the median peace officer salary in Ohio was \$53,700,¹ and the median firefighter salary in Ohio was \$42,730 in 2013.² The BLS data for 2013 indicate that the median emergency medical technician salary in Ohio was \$29,630.³ Ultimately, the amount of compensation paid for lost wages related to PTSD claims allowed under the bill is related to a claimant's wages and depends on how long the claimant would be unable to work as a result of a PTSD diagnosis.

Because of the wide spectrum of conditions suffered by individuals with PTSD, quantifying the additional cost of medical benefits that the State Insurance Fund or a self-insured public employer would incur under the bill is difficult. There appears to be little data on the costs involved with the medical treatment of PTSDs. While LSC found a February 2012 Congressional Budget Office (CBO) study of PTSD and traumatic brain injury cases and related costs among combat veterans treated by the Veterans Health Administration (VHA) from 2004 through 2009,⁴ caution should be used in applying

¹ Information obtained on June 3, 2014 at <http://www.bls.gov/oes/current/oes333051.htm#st>.

² Information obtained on June 3, 2014 at <http://www.bls.gov/oes/current/oes332011.htm>.

³ Information obtained on June 4, 2014 at <http://www.bls.gov/oes/current/oes292041.htm#st>.

⁴ *The Veterans Health Administration's Treatment of PTSD and Traumatic Brain Injury Among Recent Combat Veterans*, Congressional Budget Office, February 2012.

these findings to PTSD treatments and medical costs for the public safety employees covered under this bill. Specifically, the CBO study found that the first year of treatment for a combat veteran with PTSD cost approximately \$8,300, with cost decreasing to \$4,200 in the second year, \$3,900 in the third year, and \$3,800 in the fourth year of treatment. Caution in applying these figures to the potential costs of treatment for peace officers, firefighters, and emergency medical workers is warranted since it is quite possible that PTSD injuries suffered by public safety personnel differ in severity and scope of treatment from such injuries among combat veterans.

Typically, the VHA provides PTSD treatment that includes a combination of psychotherapy and pharmacology. The VHA study mentioned above indicated that PTSD patients who undergo some form of psychotherapy generally require at least nine such treatment sessions,⁵ with the average case including 11 sessions. The report also indicated that approximately 5% of all PTSD diagnoses involved psychiatric hospitalization. Overall, the U.S. Department of Veterans Affairs indicates that approximately 7% to 8% of the total population will have PTSD at some point in their lives.⁶ For purposes of this bill, it can reasonably be assumed that police and firefighters would likely have a PTSD occurrence rate higher than that of the general population, but likely lower than that of combat veterans. If eligible police, fire, and emergency medical employees were diagnosed with PTSD at a rate of 10%, given the approximate 118,000 total peace officers, firefighters, and emergency medical workers statewide in 2013, then there could be as many as 11,800 PTSD diagnoses in a given year. If the rate of diagnosis was 15% for these individuals, there could be as many as approximately 17,700 such diagnoses in a given year.

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⁵ *Journal of Traumatic Stress*, vol. 23, no. 1 (February 2010), pp. 5-16.

⁶ Information obtained on June 3, 2014 at <http://www.ptsd.va.gov/public/PTSD-overview/basics/how-common-is-ptsd.asp>.