



# Ohio Legislative Service Commission

*Justin Pinsker*

---

## Fiscal Note & Local Impact Statement

---

**Bill:** [Am. Sub. H.B. 412 of the 130th G.A.](#)      **Date:** December 11, 2014  
**Status:** As Reported by Senate Medicaid, Health & Human Services      **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 ( $\$300 \times 248$ ) 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.

### **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.

---

## 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 ( $\$300 \times 248$ ) 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.

*HB0412SR.docx / lb*