

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7934

BILL NUMBER: SB 428

DATE PREPARED: Apr 10, 2001

BILL AMENDED: Apr 9, 2001

SUBJECT: Health Professions Licenses.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill provides standardized requirements for health professions concerning: (1) attesting compliance with continuing education requirements; (2) auditing compliance with continuing education requirements; and (3) reinstating a health professional's lapsed license, certificate, or registration.

Bachelor's social worker license: The bill also provides that a person who has a bachelor's degree in social work and meets certain other requirements may be licensed as a bachelor's social worker.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) *Fee Streamlining:* The Health Professions Bureau indicates that the streamlining of fees may improve the efficiency of the Bureau's staff to process lapsed licenses, certificates, or registrations. The Bureau does not anticipate any new expenses to be required to implement fee streamlining.

Continuing Education: If the Medical Licensing Board and the State Board of Nursing meet additionally beyond the scheduled number of meetings, in order to adopt rules for reporting of continuing education on license renewal forms, then expenditures would increase for these boards. Medical Licensing Board members are currently allowed a \$50 per diem with travel reimbursement at \$0.28 per mile. Members of the Board of Nursing who are not state employees, are entitled a per diem, travel, and other incurred expenses connected to a member's duties. State employees on the Nursing Board receive travel reimbursement. The Medical Licensing Board is scheduled to meet eleven times in CY 2001. The Nursing Board is scheduled to meet fourteen times in CY 2001. Two of these meetings are for administrative law judge hearings.

Random Audit: This bill allows the Health Professions Board to randomly audit between 1% and 10% of the practitioners who report continuing education hours on the license renewal form. To implement an audit, the

Health Professions Bureau indicates that it would need to do the following: create a random audit list, notify the selected practitioners by certified mail, review the verification of completion, and send follow-up correspondence to those who are either in or out of compliance. The added cost of postage (the cost of certified mail is \$2.97) and stationery would depend on the size of the audit sample.

The provision could increase expenditures for the Health Professions Bureau. The increased expenditure is indeterminable and dependent on how the agency notifies license holders of the requirements of the bill.

Bachelor's social worker license: There could be additional expenses involved for issue of the new proposed license, including the printing costs for applications and postage. It is believed the Health Professions Bureau (HPB) would be able to absorb these expenditures within their budget.

There may be a need for the HPB to employ additional staff for the administration of the basic social worker license. As of August 2000, the HPB employed 43 full-time staff members. The HPB has requested six additional positions for the FY 2002-2003 Budget. The requested positions include four Clerical Assistant 3. The Bureau has indicated that as of January 2001, they have no vacancies. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: (Revised) *Fee Streamlining:* The Bureau indicates that the provisions of fee streamlining should be revenue neutral.

Continuing Education: The provisions of this bill pertaining to the continuing education reporting could affect revenue collected from license fees of health professionals if the modifications change the number of individuals who qualify for licenses. It is estimated that the overall impact will be minimal. In FY 2000, approximately \$1.7 M in revenue was collected from physicians and nurses for licenses and other fees. License fees collected are deposited in the state General Fund.

Bachelor's social worker license: Based on an average growth rate of 2.9%, approximately 205 bachelor's degrees in social work are projected to be awarded from Indiana's public universities in FY 2002 and 211 are projected in FY 2003. Bachelors Degrees awarded in social work from FY 1990 to FY 1999 have averaged 173 per year.

The proposal allows the Social Worker, Marriage and Family Therapist, and Mental Health Counselor Board to establish a fee for licensing of bachelor's social workers. (Currently, a bachelor's degree plus two years of additional experience are required before a license in social work may be obtained.)

The fiscal impact is dependent on the fee structure established by the Board. The current fee for a social worker license is \$20 for the application, \$4 for the issuance fee, \$2 for a temporary fee, and \$1 for out-of-state certification. As of December 12, 2000, 2,696 social workers were licensed to practice in Indiana. If the Board based the fee for a bachelor's social worker license on the current fees for a social worker license, the State could see a revenue increase of approximately \$4,152 in the first year of implementation. A new COMOT 3 position would require expenditures of \$29,748 in FY 2002 and \$29,067 in FY 2003. If an additional COMOT 3 position were required to administer bachelor's social worker licenses, a fee of \$145 would be necessary to recoup the cost of the position. The estimate assumes that all new Indiana bachelor's graduates would apply for a bachelor's social worker license and that projections of bachelor graduates of social work hold. The estimate does not account for the number of out-of-state graduates that may apply for the bachelor's social worker license, nor bachelor's graduates in social work from private universities in

Indiana. Any license fees received as a result of the legislation would be deposited into the State General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Health Professions Bureau, Medical Licensing Board, State Board of Nursing, Social Worker, Marriage and Family Therapist, and Mental Health Counselor Board.

Local Agencies Affected:

Information Sources: Matt Hopper, Health Professions Bureau, (317) 234-1236, Barb McNutt, Health Professions Bureau, (317) 233-4406, Jeffrey Weber, Indiana Commission on Higher Education, (317) 464-4400.