SB 533

Department of Fiscal Services

Maryland General Assembly

FISCAL NOTE

Senate Bill 533 (Senator Hollinger, et al.)
Economic and Environmental Affairs

State Board of Physician Quality Assurance - Licensure of Respiratory Care Practitioners

This bill provides for the licensure of respiratory care practitioners as described below.

Fiscal Summary

State Effect: State Board of Physician Quality Assurance Fund expenditures would increase by $23,800 in FY 1997. Future year expenditures reflect annualization and inflation, but do not include reprogramming costs occurring in FY 1997 only. Special fund revenues would increase by approximately $24,000 and general fund revenues would increase by $6,000 in FY 1997. Out-year revenues reflect biennial fee payments as well as new applications.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	$ 6,000	$ 60	$ 6,000	$ 60	$ 6,000
SF Revenues	24,000	240	24,000	240	24,000
SF Expenditures	23,800	11,300	11,500	11,700	12,000
Net Effect	$6,200	($11,000)	$18,500	($11,400)	$18,000

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Fiscal Analysis

Background: Respiratory care practitioners are currently regulated under a "certification" program. However, that program does not provide for temporary authorizations to practice. Therefore, the essential new features to the regulation of respiratory care practitioners provided by this bill are: (1) the technical change from certification to licensure; (2) the

provision for temporary licensure replacing current internships; and (3) establishment of a Respiratory Care Professional Standards Committee.

Summary: This bill requires the Board of Physician Quality Assurance to adopt regulations for the licensure of respiratory care practitioners. Reasonable fees are required to be set to approximate the costs of maintaining the licensure program. A 7-member Respiratory Care Professional Standards Committee is established within the board, as specified. The committee is authorized to set educational and clinical standards for licensees.

The bill delineates: (1) who must be licensed; (2) exceptions, including for veterans; (3) qualifications for application and licensure; (4) license renewal provisions; (5) provisions for temporary licensure; and (6) 26 reasons for disciplinary action by the board.

Violators of any provision of the bill are guilty of misdemeanors and subject to a maximum fine of $1,000 and/or imprisonment of one year. The bill is effective July 1, 1996, and must terminate after July 1, 2006, subject to the Maryland Program Evaluation Act.

State Revenues: The State Board of Physician Quality Assurance (BPQA) advises that the change from certification to licensure would have no fiscal impact by itself. However, the provision for temporary licensure, which would replace the current arrangement for internships, would necessitate an increase in fees to accommodate the change.

The BPQA anticipates having regular licensees, through initial and biennial renewal fees, cover the costs of temporary licensure, as is currently done with the program for physician assistants. The BPQA anticipates between 50 to 75 applications for temporary licensure annually. There would be no fee charged to the temporary applicant. (The bill authorizes the board to set license renewal dates without specifying how that would occur. It is assumed that they would continue to be done on a biennial basis.)

Fiscal Services notes that any additional fee revenue derived by the BPQA is subject to a 20% share being directed to the general fund. Hence, board revenues represent only 80% of the total fees collected. General fund and special fund revenues reflect that sharing feature of fee collections.

There are currently approximately 2,000 certified respiratory care practitioners in the State. The BPQA assumes that all of them would seek licensure and would pay a biennial licensure fee beginning in fiscal 1997. State Board of Physician Quality Assurance Fund revenues would increase by approximately $24,000 in fiscal 1997. This amount reflects an increase in biennial license fees for the currently certified 2,000 practitioners of $15 each, and the boards retention of an 80% share for their special fund. General fund revenues would increase by

the remaining $6,000, for a total of $30,000.

In future years the board assumes the growth of practitioners via new applications to approximate 250 annually. However, Fiscal Services believes that a 2% annual growth rate (40 applicants) is more likely. In addition, it is also likely that attrition would reduce the number of practitioners at a similar rate, so that the number of practitioners would remain relatively constant.

Accordingly, in the out-years when renewal payments are not due, the 40 anticipated new applicants would be asked to pay a prorated initial fee which would include one-half of the fee increase. Hence, total fee collections in such years would equal $300 (40 applications x $7.50). Of that amount, $60 would go to the general fund and $240 would go to the BPQA special fund. The out-years when full fee payments are due for all licensed practitioners reflect the assumption that the number of licensed practitioners would remain around 2,000.

State Expenditures: Board of Physician Quality Assurance Fund expenditures could increase by an estimated $23,789 in fiscal 1997, which reflects a 90-day start-up delay. This estimate reflects the cost of hiring one part-time Administrative Specialist to process temporary licenses and handle the move by temporary licensure when examination results are known. It includes a contractual salary of $7,536, fringe benefits, one-time start-up costs of reprogramming a newly reengineered processing program, and ongoing operating expenses.

Salaries and Fringe Benefits	$ 8,214	Reprogramming
Costs (one-time)	15,500	
Operating Expenses	75	
Total FY 1997 State Expenditures	**$23,789**	

Future year expenditures reflect 2% annual increases in ongoing operating expenses, including the contractual salary and fringe benefits, but do not include the one-time expense for automated system reprogramming.

Information Source(s): Department of Health and Mental Hygiene (Board of Physician Quality Assurance), Department of Fiscal Services

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