

**Department of Fiscal Services**  
 Maryland General Assembly

**FISCAL NOTE**

House Bill 1316 (Delegate Heller)  
 Environmental Matters

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**Public Dissemination of Physician Profiles**

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This bill requires the Board of Physician Quality Assurance to compile an individual profile of each licensee and to disseminate the information on each licensee to any person who requests the profile. The licensee may review the profile and correct factual inaccuracies. The board must categorize the significance of paid medical malpractice claims against a licensee and identify the context of the claims.

The board may not disseminate the physician profile by electronic media before October 1, 1998. The board must conduct a study of the impact of publicizing physician profiles by electronic media on the personal safety of physicians and their families; and report their findings and recommendations to the Economic and Environmental Affairs Committee and the Environmental Matters Committee by January 1, 1998.

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**Fiscal Summary**

**State Effect:** Special fund revenues for the Board of Physician Quality Assurance Fund and the State Scholarship Administration will increase by \$455,000 and general fund revenues would increase by \$29,000 beginning in FY 1998. Special fund expenditures could increase by approximately \$837,500 in FY 1998, which reflects an October 1, 1997 effective date and one-time costs. Future year expenditures reflect annualization and inflation.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000
SF Revenues	\$455,000	\$455,000	\$455,000	\$455,000	\$455,000
SF Expenditures	\$837,500	\$275,300	\$275,300	\$275,300	\$275,300
Net Effect	(\$353,500)	\$208,700	\$208,700	\$208,700	\$208,700

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

**Local Effect:** None.

**Small Business Effect:** Potential meaningful effect on small businesses as discussed below.

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## Fiscal Analysis

**Bill Summary:** The physician profile would include information on: (1) any criminal conviction or disciplinary action, revocation or restriction of medical privileges, or malpractice court judgement or arbitration award, within the previous ten years; (2) resignation or non-renewal of medical membership; (3) medical schools attended, certification received, number of years practicing as a physician, and hospitals that the physician has privileges with; (4) medical school appointments, publications, community activities; and (5) the location of the primary practice of the licensee and whether there are translation services at the practice setting.

**State Effect:** In order to comply with the requirements of the bill, the Board of Physician Quality Assurance would have to implement significant changes to their existing computer system. The system would have to accommodate a format for collecting and disseminating the data required by the bill on the 22,000 physicians licensed by the board.

As a result, special fund expenditures could increase by an estimated \$837,468 in fiscal 1998, which reflects the bill's October 1, 1997 effective date. This estimate accounts for the cost of hiring two Computer Analysts who would be responsible for verifying new information received on physicians and updating the database. It includes salaries, fringe benefits, and ongoing operating expenses. The estimate also includes a one-time start-up cost of purchasing equipment for a Public Access Server, and the cost of programming and developing a database of physician profiles.

One-Time Costs	\$659,651
Operating Expenses	118,535
Salaries and Fringe Benefits	<u>59,282</u>
<b>Total FY 1998 State Expenditures</b>	<b>\$837,468</b>

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

It is anticipated that fees would increase by \$44 for each licensee as a result of this bill because revenues from fees should approximate the cost of maintaining the board. License/renewal fees are paid biennially by each licensee. Half of the licensees are subject to

renewal in any given year and the remainder in any succeeding year. Consequently, total fees collected would be \$484,000 each year, of which \$387,200 (80%) would be distributed to the Board of Physician Quality Assurance Fund, \$67,760 (14%) would be distributed to the State Scholarship Administration, and \$29,040 (6%) would be distributed to the general fund.

**Small Business Effect:** If consumers have access to additional information about physicians, it may impact their choice of physicians for obtaining health care services. Physicians who, within the previous ten years, have a criminal conviction or who were subject to a disciplinary action, a revocation or restriction of medical privileges, or a malpractice court judgement or arbitration award may experience a loss of patients or find it more difficult to attract new patients.

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

**Fiscal Note History:** First Reader - February 28, 1997  
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