

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

House Bill 1171 (Delegates Gordon and Barve)

Ways and Means

Board of Physician Quality Assurance - Disposition of Fees

This bill requires that all fees collected by the Board of Physician Quality Assurance be distributed to the Board of Physician Quality Assurance (BPQA) fund.

Fiscal Summary

State Effect: Special fund revenues increase by \$920,300 for the BPQA. Special fund revenues and expenditures decrease by \$920,300 for the State Scholarship Administration (SSA). Future year revenue and expenditure changes reflect BPQA's biennial licensure renewal fees.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Rev. (BPQA)	\$920,300	\$842,000	\$920,300	\$842,000	\$920,300
SF Rev. (SSA)	(\$920,300)	(\$842,000)	(\$920,300)	(\$842,000)	(\$920,300)
SF Exp. (BPQA)	\$920,300	\$842,000	\$920,300	\$842,000	\$920,300
SF Exp. (SSA)	(\$920,300)	(\$842,000)	(\$920,300)	(\$842,000)	(\$920,300)
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Comptroller must distribute 86% of licensure fees collected by BPQA to the BPQA fund. The remaining 14% of the fees collected by BPQA are distributed to the State Scholarship Administration. Half of these fees are transferred to the Loan Assistance Repayment Program and half are transferred to the Health Manpower Shortage Incentive Grant Program.

Background:

Board of Physician Quality Assurance (BPQA)

Prior to 1999, revenues from licensure fees collected by BPQA were distributed: (1) 80% to the BPQA fund; (2) 14% to the State Scholarship Administration, half of which was transferred to the Health Manpower Shortage Incentive Grant Program and half to the Loan Assistance Repayment Program; and (3) 6% to the State general fund. Chapter 398 of 1999 changed this fee distribution, repealing the requirement that 6% of the fees be distributed to the State general fund and instead distributed these fees to the BPQA fund.

Health Manpower Shortage Incentive Grant Program

This grant program was created to provide funds to institutions that offer degree programs in critical health shortage occupations, such as physical therapy, nursing, respiratory therapy, and medical laboratory technology. Funds distributed to the institutions are based on the number of graduates above an established baseline. Funds collected by BPQA are the sole source of funding for this program. In fiscal 2000, the program received approximately \$350,000, which was divided among 23 public and private higher education institutions.

Loan Assistance Repayment Program (LARP)

This program provides loan repayment assistance for primary care physicians and medical residents specializing in primary care who either pledge to or are currently providing primary care services to underserved areas of the State. In fiscal 2000, the LARP received \$1,010,000 from various sources. Approximately 35% or \$353,500 of the funds were received from BPQA fees. LARP funds have been expended to award 23 eligible recipients in fiscal 2000.

State Effect: The 14% of licensure fees collected by BPQA would remain with BPQA instead of being distributed to the SSA, thus increasing BPQA's special fund revenues by \$920,300 in fiscal 2001. The BPQA may face a \$1 million deficit in fiscal 2002. If the funds currently distributed to the SSA do not revert back to the BPQA fund, the BPQA will raise

licensure fees to forestall the projected budget deficit. The SSA would no longer receive revenues from BPQA licensure fees, and in turn, would no longer award grants and loan repayment assistance in an amount equal to the lost revenues. Accordingly, the SSA's special fund revenues from BPQA licensure fees would decrease by \$920,300 and the SSA's special fund expenditures for the LARP and Health Manpower Shortage Assistance Program would decrease by \$920,300 in fiscal 2001 as well. This expenditure reduction assumes that SSA does not have an alternate source of funding for these programs. Future year expenditure and revenue changes reflect BPQA's biennial licensure renewal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Board of Physician Quality Assurance), Maryland Higher Education Commission (State Scholarship Administration), Department of Legislative Services

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