

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 1238 (Delegate Cardin, *et al.*)
 Ways and Means

Education - Audiologists and Speech-Language Pathologists - Licensing Fee Reimbursement

This bill requires the State to reimburse audiologists and speech-language pathologists for licensing fees if they: (1) provide audiology and speech-language services on a third-party basis in schools; and (2) are licensed by the State Board of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists. An audiologist or speech-language pathologist must reimburse the State for the full amount received if all of the requirements for renewal of a license are not completed or services are not provided to schools on a third-party billing basis. The State Board of Education must adopt regulations to implement and administer the program.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$259,600 in FY 2006 to pay licensing fees for audiologists and speech-language pathologists and provide for the administration of the program. Future year expenditure estimates reflect a stable number of initial license fee reimbursements each year, the biennial license renewal cycle, and annualization and inflation in the administrative costs. Revenues would not be affected.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	259,600	33,400	260,900	34,900	262,500
Net Effect	(\$259,600)	(\$33,400)	(\$260,900)	(\$34,900)	(\$262,500)

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

Local Effect: Local school expenditures could decrease minimally in school systems that currently pay the licensing fees for audiologists and speech-language pathologists.

Small Business Effect: Minimal.

Analysis

Current Law: The license application fee for an audiologist or speech-language pathologist is \$150, and the biennial renewal fee is \$252. Licenses are renewed in even-numbered years.

Background: Chapter 194 of 2003 established the Task Force to Study the Availability of Audiology and Speech-language Services. The task force released its findings and recommendations on December 31, 2003. One of the task force recommendations is to include audiologists and speech-language pathologists in legislation addressing recruitment and retention efforts in schools.

The Maryland State Teachers Association (MSTA) advises that many audiologists and speech-language pathologists working in schools have national rather than State certification. MSTTA further advises that a recent regulatory adjustment to Medicaid requires service providers to hold State licensure to qualify for federal Medicaid reimbursement. As a result, more audiologists and speech-language pathologists are now pursuing State licenses at a cost of \$150 for the initial license and \$252 for each license renewal.

State Expenditures: General fund expenditures would increase by an estimated \$259,600 in fiscal 2006. This estimate reflects the costs of reimbursing audiologists and speech-language pathologists for license fees and hiring one quarter-time specialist at the Maryland State Department of Education to administer the new program. It includes the license fee reimbursements, a quarter-time salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The following information and assumptions were used in calculating the estimate.

- In fiscal 2004, approximately 150 audiologists and speech-language pathologists paid the \$150 license application fee. Assuming this number is relatively stable, reimbursements for the initial license fee would cost approximately \$22,500 in fiscal 2006.
- In fiscal 2004, approximately 900 audiologists and speech-language pathologists renewed their licenses at a cost of \$252 each. There is a biennial renewal cycle for

the licenses, with fees paid in even-numbered fiscal years. Assuming the number of audiologists and speech-language pathologists remains relatively stable, reimbursements for license renewals would total \$226,800 in fiscal 2006.

	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>
License Fee Reimbursements	\$249,300	\$22,500
Salaries and Fringe Benefits	7,795	10,725
Operating Expenses	<u>2,543</u>	<u>186</u>
Total State Expenditures	\$259,638	\$33,411

Future year expenditures reflect: (1) an estimated \$22,500 annually for application fee reimbursements; (2) an estimated \$226,800 in even-numbered fiscal years for license renewal fee reimbursements; (3) 4.6% annual increases and 3% employee turnover; and (4) 1% annual increases in ongoing operating expenses.

Local Expenditures: MSTA advises that several local school systems currently reimburse audiologists and speech-language pathologists who work in schools for the cost of licenses. If the State pays the reimbursements, school expenditures in the local school systems that pay these costs would decrease.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, Department of Health and Mental Hygiene, Maryland State Teachers Association, Department of Legislative Services

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