

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 482 (Senator Norman)  
Education, Health, and Environmental Affairs

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**State Board of Physicians - License Renewal - Grace Periods**

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This bill establishes a 60-day grace period for licensees of the State Board of Physicians (MBP) to retroactively renew licenses after license expiration if the licensee (1) otherwise meets the renewal requirements and (2) pays the renewal fee and any late fee set by MBP. After the grace period, the expired license lapses into nonrenewal status and the board may require the licensee to apply for reinstatement.

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**Fiscal Summary**

**State Effect:** The bill's requirements can likely be absorbed with existing budgeted resources. Special fund revenues for MBP may increase minimally.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** The bill applies to (1) physicians; (2) respiratory care practitioners; (3) radiation therapists, radiographers, nuclear medicine technologists, and radiologist assistants; (4) polysomnographic technologists; (5) athletic trainers; (6) perfusionists; (7) naturopathic doctors; and (8) physician assistants.

**Current Law/Background:** The mission of MBP is to assure quality health care in Maryland through the efficient licensure and effective discipline of health providers under its jurisdiction, by protecting and educating clients/customers and stakeholders and enforcing the Maryland Medical Practice Act.

MBP licensees renew on a biennial basis; licenses must be renewed by the date of expiration. At least one month prior to the date of expiration, the board must send a renewal notice to each licensee by email or first-class mail with the date of expiration, the date the renewal application must be received, and the amount of the renewal fee; additional information is also required depending on the licensee’s profession. Licensees who fail to renew by the deadline are no longer authorized to practice and must apply for license reinstatement, subject to an additional fee and any additional requirements, as set by MBP. According to MBP, a 60-day late renewal period was previously available to physicians. The board repealed this late renewal period through regulations, effective September 2014. **Exhibit 1** shows the number of licensees, renewal timeframe, license expiration date, and renewal and reinstatement fees for each profession.

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**Exhibit 1**  
**Renewal Information for Licensees of the State Board of Physicians**

<u>Profession</u>	<u>Licensees</u>	<u>Renewal Years</u>	<u>License Expiration</u>	<u>Renewal Fee</u>	<u>Reinstatement Fee</u>
Athletic Trainers	557	Odd	9/30	\$171	\$200
Nuclear Medicine Technologists	607	Odd	4/30	\$171	\$150
Perfusionists	79	Even	1/31	\$257	TBD
Physicians (last initials A-L)	16,588	Even	9/30	\$522	\$600 or \$700 <sup>1</sup>
Physicians (last initials M-Z)	13,199	Odd	9/30	\$522	\$600 or \$700 <sup>1</sup>
Physician Assistants	3,275	Odd	6/30	\$196	\$225
Polysomnographic Technologists	410	Even	5/30	\$186	\$200
Radiation Therapists, Radiographers, and Radiologist Assistants	6,578	Odd	4/30	\$171	\$150
Respiratory Care Practitioners	3,085	Even	5/30	\$186	\$200

<sup>1</sup>Applicants who were eligible for renewal in the prior year pay \$700; all other applicants pay \$600.  
Note: Naturopathic doctor renewal information is to be determined.

Source: State Board of Physicians

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**State Fiscal Effect:** MBP estimates that less than 1% of total board licensees fail to timely renew their licenses per year (fewer than 220 individuals).

MBP additionally advises that the bill creates an administrative burden for the board for two reasons. First, the board believes it creates an additional, duplicative “reinstatement” process. Second, any licensee who applies for renewal during the grace period, and is found to not meet the requirements for renewal, must be investigated for practicing without a valid license (if that individual practiced during the grace period). Thus, MBP advises that it must hire two full-time licensure analysts and a full-time compliance analyst to meet the bill’s requirements.

The Department of Legislative Services disagrees. It is unclear to what extent the bill creates additional responsibilities for MBP beyond that of the existing license reinstatement process or how the establishment of a grace period creates a duplicative process for MBP. Under existing law, licensees who fail to timely renew their licenses must apply for license reinstatement. Under the bill, licensees who fail to timely renew their licenses have an additional 60 days to apply through the renewal process; licensees must still meet the requirements for renewal. Licensees who fail to renew within this 60-day period must then apply for license reinstatement through the existing reinstatement process. Additionally, given the low number of individuals who currently fail to timely renew (less than 1%), it is likely that any additional administrative responsibilities can be absorbed with existing resources.

The bill requires licensees who renew during the 60-day grace period to pay the renewal fee in addition to any late fee, as set by MBP. MBP advises that the late renewal fee will likely be \$100. As shown in Exhibit 1, reinstatement fees for the allied health professions are generally \$20 to \$30 higher than renewal fees. Thus, special fund revenues for MBP may increase minimally, beginning in fiscal 2017, to the extent licensees of the allied health professions pay the renewal fee in addition to the \$100 late renewal fee, rather than the generally more comparable reinstatement fee. However, physicians’ reinstatement fees are \$78 to \$178 higher than the renewal fee. Consequently, any increase in revenues from the allied health professions may be offset by a revenue decrease due to more physicians paying the late renewal fee rather than the higher reinstatement fee. MBP was unable to provide the number of anticipated late renewals per profession; therefore, the exact impact cannot be determined at this time.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1114 (Delegate Hill, *et al.*) - Health and Government Operations.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2016  
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