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FISCAL IMPACT REPORT

SPONSOR: Miera DATE TYPED: 03/05/01 HB 394/aHFI#1
 SHORT TITLE: “Primary Care Provider” Defined SB _____
 ANALYST: Valdes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Regulation and Licensing Department and Health Policy Commission

SUMMARY

Synopsis of HFI#1 Amendment

This amendment changes the license renewal period from “biennial” to “annual”. This will give the Board of Acupuncture and Oriental Medicine the authority to set annual license renewal fees up to \$400. This effectively allows the Board to increase renewal fees up to 100% of the current fee cap, if necessary. It also requires licensees to renew annually instead of every two years as current statutes require.

Synopsis of Original Bill

Senate Bill 536 increases the ceiling on five licensing fees, defines the fee ceiling for three fees currently authorized by statutes and changes the license renewal interval from biennial to annual.

This bill also clarifies the definition of “primary care provider” (PCP). It adds that continuity of care when appropriate.

Significant Issues

The Board of Acupuncture and Oriental Medicine is currently charging the maximum fees authorized by statutes. The increases are necessary so that the Board will have the ability to offset cost increases in future years.

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The licensing application fee cap would be raised from \$500 to \$800, temporary licensing fee cap from \$300 to \$500, exam fee cap from \$350 to \$700 and the educational program approval fee from \$400 to \$600.

The new fees authorized include application for extended prescriptive authority (\$500), application for externship supervisor registration (\$500) and application for extern certification (\$500).

The bill changes the definition of a “primary care provider” from a “professional” to a “practitioner” and adds the provision that the provider initiates referrals to other health care practitioners and maintains the continuity of care when appropriate in the definition.

FISCAL IMPLICATIONS

The Board is currently paying \$400 per applicant for its practical exam but is limited by statute to the current fee cap of \$350 assessed to each applicant. The Board needs to offset this loss by increasing the exam fee and the associated fee cap in statute. The total projected deficit based on existing exam fees is \$3,100 in the current fiscal year. In FY02 the deficit is projected at \$3,800 which is significant based on the Board’s annual operating budget of \$167,000.

The new fees proposed will generate \$3,800 based on 75 projected candidates.

Other new revenue is unknown until the Board decides to raise fees within the new fees proposed by the bill.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

Senate Bill 536 duplicates this bill relating to fee changes and additions. Senate Bill 536 does not change the “primary care provider” definition.

OTHER SUBSTANTIVE ISSUES

The Health Policy Commission provided the following information related to the bill:

- C Senate Bill 117 was passed by the House and signed in March 2000, which expanded the practice of oriental medicine practitioners and provided an approval for educational programs. HB 394 adds externship application fees to the statute.
- C This bill recognizes that oriental medicine practitioners are part of the primary care provider network, and which patients may use as part of an alternate medicine regimen.
- C This bill emphasizes that oriental medicine practitioners initiate referrals as appropriate to allopathic or other health practitioners when in the best interest of the patient.
- C More insurers may be more likely to cover acupuncture treatment if perceived that it is part of the patient’s overall treatment.
- C It has been more than 7 years since fees have been increased to keep up with normal inflation.

MFV/njw