NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	SJC		DATE TYPED:	02/24/03	HB	
SHORT TITL	E:	Medical Licensure			SB	171/SJCS
			ANALYST:		Geisler	

APPROPRIATION

Appropriation	on Contained	Estimated Add	litional Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
		Minimal	See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Relates to: HB 145 Extend Life of Various Boards and SB 73 Anesthesiologist Assistants

SOURCES OF INFORMATION

Board of Medical Examiners (BME)

SUMMARY

Synopsis of Bill

Senate Judiciary Committee Substitute for SB 171 renames the Board of Medical Examiners to the Medical Board; adds a physician assistant to the board; standardizes disciplinary language for physicians, physician assistants and anesthesiologist assistants; clarifies licensure processes; updates board duties consistent with actual practice; and transfers all functions, personnel, appropriations, money, property, contractual obligations and statutory references to the renamed board.

Significant Issues

Although the majority of the proposed changes to the Medical Practice Act are primarily "house-keeping" to align the Act with actual processes or clarify inconsistencies, the following issues should be considered substantive:

• The name of the board is being changed to avoid confusion with the Office of the Medical Investigator.

Senate Bill 171/SJCS -- Page 2

- The size of the board will be increased from eight to nine members with the addition of a physician assistant.
- Reference to the Anesthesiologist Assistant Act has been incorporated throughout the Act.
- Authority to contract with a physician to serve as "medical director" enables the board to reassign duties currently assumed by the board Secretary.
- The discipline section for physicians, physician assistants and anesthesiologist assistants is being combined and updated. Violations related to sexual misconduct by a licensee have been clarified.
- In response to suggestions from the SM22 Task Force on Pain Management several changes are being proposed to 61-6-15 relating to disciplinary actions. These changes include specific language that undertreatment of pain is unprofessional conduct and elimination of the provision requiring licensees to bear the costs of disciplinary proceedings unless exonerated.
- Changes to the Physician Assistant Act will make it consistent with other licensing acts and clarify requirements, license expiration and renewal.
- Physician licensure requirements are being updated and streamlined. The board is requesting authority to require criminal background checks on applicants.
- The penalty for failure to comply with reporting of settlements and other licensing actions is being increased from \$2,000 to \$10,000 as an incentive for compliance.

FISCAL IMPLICATIONS

Although there will be some costs associated with changing the name of the agency, the costs will be insignificant. One additional member will be added to the board with some associated costs, but the Physician Assistant Advisory Committee will be eliminated with a cost savings at least equal to the cost of the additional board member.

There will be a slight impact to revenue when the board can no longer assess costs to licensees found in violation of the Act. While the cost of prosecuting cases in not insignificant, by the time a physician is involved in a lengthy prosecution they often have few resources remaining.

COMPANIONSHIP and RELATIONSHIP

SB 171 is a companion to HB 145, which extents the agency life until 2009. SB 171 also relates to SB 73, which makes changes in the provisions of the Anesthesiologist Assistant Act.

OTHER SUBSTANTIVE ISSUES

The name of the board is being changed to more clearly identify responsibilities. All examinations are now given nationally. The board has not offered an examination in years. The current name, board of medical examiners, is thought by the public to be the agency that conducts autopsies. The agency receives ten or more calls weekly (often after hours so they can't be directed to the correct agency until the next work day) requesting information on autopsy reports or looking for remains.

The board has regulated physician assistants since the 1970's. In 1997 statutory language was added for a Physician Assistant Advisory Committee (PAAC) composed of three physician assis-

Senate Bill 171/SJCS -- Page 3

tants (PA) and one physician with experience supervising a physician assistant. It was agreed that a FPA member on the board would be the best way to get meaningful input from this important profession which is regulated by the medical board.

The SM22 Task Force on Pain Management reviewed the disciplinary process of the board. The provision of the law that allows the board to access costs to licensees following disciplinary action is an incentive for the board to find against the physician. To allay these concerns, the board agreed to remove this provision from the Act. In response to Task Force recommendations, the board is requesting that undertreatment of pain be added as a specific example of unprofessional conduct.

Section 61-6-15, the key section related to license discipline, is being amended to cover physicians, physician assistants and anesthesiologist assistants. When the Physician Assistant Act and Anesthesiologist Acts were enacted they included all aspects of licensure but were inserted into the Medical Practice Act. Since most disciplinary action is against physicians, it is important to keep 61-6-15 updated. However, changes to the discipline section for PAs has not been kept current. To avoid discrepancies the board is combining all discipline into one section and deleting the sections specific to PAs and Anesthesiologist Assistants.

Another substantive change is in the sections with licensing requirements. The requirement that each applicant have a personal interview with the board or a board member is being changed to <u>allow</u>, but not require, a personal interview. This will allow the board to focus interview resources on applicants who have some discrepancy in their application or some adverse history, such as an action in another state. Proposed changes will also allow the board to contract with a medical director to perform the personal interviews and report to the board. Changes to the licensing by endorsement sections will make it easier to license an applicant who has been practicing in another state or Canada.

GG/njw