

Fiscal Estimate Narratives

R&L 5/27/2003

LRB Number 03-2381/5	Introduction Number AB-356	Estimate Type Original
Subject Regulation of chiropractors		

Assumptions Used in Arriving at Fiscal Estimate

LRB 03-2381/5 proposes significant changes to the regulation of chiropractic practice. The Department of Regulation and Licensing (DRL) would incur one-time costs for rule making and forms development and on-going costs to support the new procedures of peer review of complaints and auditing of continuing education requirements.

Revenue Assumptions:

The bill provides for DRL to receive \$250 for each complaint for peer review and \$750 for each appeal. DRL assumes there would be 80 complaints annually under the provisions of the bill and 60 appeals of those complaints. Total revenue is projected at \$65,000 of which \$58,500 would be program revenue to the DRL and \$6,500 would be GPR-Earned for the general fund. The bill provides that the DRL expend \$235 to a peer reviewer for each complaint and \$705 to peer reviewers for each appeal but the bill makes no expenditure authority appropriation so the revenue would not increase the DRL's ability to pay the new expenditures.

Cost Assumptions:

There are eight areas of practice or procedure in the bill which would require rules:

- Scope of chiropractic techniques
- Referral to other health professionals
- Peer review
- New misconduct categories
- Delegation of chiropractic treatment to other staff
- Reporting and auditing continuing education
- Approval of continuing education courses
- Nutrition counseling

DRL must develop a form for chiropractors to use to report continuing education

One-time costs for DRL are:

- \$ 4,903 for staff time and Board members per diem for rule development
- \$ 1,680 for Board members travel for rule development
- \$ 6,400 to revise and ship code books to licensed chiropractors
- \$10,600 for one-time costs for new staff (see below in annual costs for new staff needed. One-time costs are for systems furniture and computer hardware and software for two program assistants.)
- Total one-time costs would be \$23,583.

Annual costs for DRL are:

- \$61,100 to pay peer reviewers for 80 complaints ($\$235 \times 80 = \$18,800$) and 60 appeals ($\$705 \times 60 = \$42,300$) per year.
- \$81,122 for two new program assistant salaries and fringes.
- \$ 747 for salaries, per diem and fringes for current staff and board members to administer the reporting and audit of the continuing education requirement.
- \$ 5,932 for staff time to receive renewals manually. Continuing education forms cannot be received through the lock box.
- \$ 4,195 for legal counsel and staff support for the peer review procedure

\$ 2,112 for attorney, investigator, and support staff time for enforcement of continuing education requirement.

Total on-going costs would be \$155,208.

The costs to administer the continuing education requirement [second annual cost cited above] include two new FTE program assistant positions.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject Regulation of chiropractors			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$23,583			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$92,288	
(FTE Position Changes)		(2.0 FTE)	
State Operations - Other Costs		62,920	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$155,208	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		155,208	
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned		6,500	
FED			
PRO/PRS		58,500	
SEG/SEG-S			
TOTAL State Revenues		\$65,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$155,208	\$
NET CHANGE IN REVENUE		\$65,000	\$
Agency/Prepared By		Authorized Signature	Date
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