

HF2344 - 0 - "Orthotics, Prosthetics, and Pedorthics"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/22/2016**
 Agency: **Podiatric Medicine**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Health Related Boards	-	-	(100)	85	(69)	
Total	-	-	(100)	85	(69)	
Biennial Total			(100)			16

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Health Related Boards	-	-	1	1	1
Total	-	-	1	1	1

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Paul Moore Date: 3/22/2016 11:43:07 AM
 Phone: 651 259-3776 Email paul.b.moore@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Health Related Boards	-	-	(100)	85	(69)
Total	-	-	(100)	85	(69)
Biennial Total			(100)		16
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Related Boards	-	-	75	112	112
Total	-	-	75	112	112
Biennial Total			75		224
2 - Revenues, Transfers In*					
Health Related Boards	-	-	175	27	181
Total	-	-	175	27	181
Biennial Total			175		208

Bill Description

The bill establishes licensure for Orthotics, Prosthetics, and Pedorthics, Assistants and Fitters; establishes required fees; proposes coding for new law in Minnesota Statutes, Chapter 153.

Section 2 of the bill provides definitions related to applicability, professional roles, supervision and relevant terminology.

Section 4 of the bill establishes an Advisory Council that would consist of 7 members: 5 licensees that are practicing Orthotists, Prosthetics or Pedorthists, 1 licensed Doctor of Podiatric Medicine serving on the Board of Podiatric Medicine and 1 public member.

Section 5 of the bill outlines licensure requirements and license terms for Orthotists, Prosthetists, and Pedorthists.

Section 7 of the bill outlines continuing education requirements.

Section 13 of the bill establishes grounds for disciplinary action and forms of discipline.

Section 15 of the bill describes unlicensed practice, protected titles and restrictions on use.

Section 16 of the bill establishes fees for licensure and annual renewal of license.

Assumptions

Licensing of Orthotics, Prosthetics, and Pedorthics is mandatory under section 15 of the bill.

The bill establishes licensing requirements for Orthotics, Prosthetics, and Pedorthics, Assistants and Fitters. Because the Board of Podiatric Medicine does not have occupational expertise, the Board will administer the licensing and disciplinary processes using an Advisory Council. The Board of Podiatric Medicine must convene an Advisory Council and hire staff before applications may be processed. The state program administrator will need to develop a data management and operating system and a program approval process.

Expenditures: It is estimated that staff needed to run the program will be a .75 FTE State Program Administrator and a .2

FTE Office and Administrative Specialist Senior. This position is needed to develop the program for licensure and renewal. Current IT personnel will be utilized to support database development and maintenance and create and implement licensure rules. Assumptions also include re-allocation of the Executive Secretary, currently 9M and lowest in the managerial plan. The Board has already directed the Executive Secretary to request a position

re-allocation prior to recognizing these additional responsibilities. The Board of Podiatric Medicine expects to use a version of its automated license information management system to record and maintain application and licensing data. Startup costs during FY 2017 include \$12,000 for computer services for modifications of the licensing database to include Orthotics, Prosthetics, and Pedorthics, Assistants and Fitters and \$2,500 for equipment (staff computer, printer, and hardware and office furniture). These estimates are based on similar health-related licensing boards database modifications.

Applicants will pay an initial application processing and renewal fee and an annual license renewal fee. Fees are included in the bill. The board assumes that initial license fees would not be prorated and that bill language would need to be amended for clarification. We anticipate 247 applications for initial licensure during the first year, with additional applications in subsequent years. Renewals expected: 0 in year one, 247 in year two, with incremental increases each of the subsequent years. The estimated numbers are from the Richard Miller, C.O., President Elect American

Academy of Orthotists & Prosthetists.

FY17 expenditures reflect part of a year.

Expenditure and/or Revenue Formula

Expenditures

Description	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Direct Appropriated Expenses					
Salaries		41,115	84,844	86,869	87,869
Board Per Diems		3,275	4,275	2,750	2,750
Space		400	400	400	400
Printing		500	500	500	500
Professional / Tech Consultants		2,000	1,000	1,000	1,000
Computer Services		12,000	2,500	2,500	2,500
Communications		1,000	1,000	1,000	1,000
Postage/Communications		600	600	600	600
In State Travel		4,000	5,000	3,000	3,000
Out State Travel			2,000	2,000	2,000
Employee Development			1,000	1,000	1,000
Supplies		750	750	750	750
Equipment		2,500	1,000	2,500	1,000

Description	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Other Operations		500	500	500	500
Office of Administrative Hearings		0	0	0	500
Total Direct Appropriated Expenses		68,640	105,369	105,369	105,369
Other Expenses Not Appropriated to the Board					
Administrative Service Unit		3,000	3,000	3,000	3,000
Health Professional Services Program		1,200	2,000	2,000	2,000
Attorney General Costs		1,000	1,000	1,000	7,500
Statewide Indirect Costs		1,000	1,000	1,000	1,000
Total Other Costs		6,200	7,000	7,000	13,500
Total Expenses		74,840	112,369	112,369	118,869

Revenues

Fee Description	Current Fee	New Fee	Estimate Number Paying	Total Estimate Revenue FY 2017	Total Estimate Revenue FY 2018	Total Estimate Revenue FY 2019	Total Estimate Revenue FY 2020	Total Estimate Revenue FY 2021
Initial License Application Fee/FY17	0	600	247	148,200				
Renewals FY 19/FY21	0	600	256/264			154,200		158,400
License Verifications	0	\$30	700	21,000	21,000	21,000	21,000	21,000
New Applicants	0	600	10	6,000	6,000	6,000	6,000	6,000
				175,200	27,000	181,200	27,000	185,400

Long-Term Fiscal Considerations

Because licensure is required, we anticipate that numbers will increase in the future.

Local Fiscal Impact

There is no impact on local government.

References/Sources

Board data related to other regulated professions.

Agency Contact: Ruth Grendahl (612-548-2175)

Agency Fiscal Note Coordinator Signature: Juli Vangsness

Phone: 651 201-2732

Date: 3/22/2016 9:00:22 AM

Email: Juli.Vangsness@state.mn.us