

HF644 - 2E - "MN Massage and Bodywork Therapy"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/29/2016**
 Lead Agency: **Nursing Board**
 Other Agencies:
 Public Safety Dept Office Of Higher Education
 Health Dept

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) Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Health Dept					
General Fund	-	-	(6)	(6)	(6)
Nursing Board					
Health Related Boards	-	-	374	92	82
Public Safety Dept					
Restrict Misc. Special Revenue	-	-	-	(10)	(3)
State Total					
General Fund	-	-	(6)	(6)	(6)
Health Related Boards	-	-	374	92	82
Restrict Misc. Special Revenue	-	-	-	(10)	(3)
Total	-	-	368	76	73
Biennial Total			368		149

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Health Dept					
General Fund	-	-	((.08))	((.08))	((.08))
Nursing Board					
Health Related Boards	-	-	2	2	2
Public Safety Dept					
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	1.92	1.92	1.92

Lead 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: 03/29/2016
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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		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
Health Dept						
General Fund		-	-	(6)	(6)	(6)
Nursing Board						
Health Related Boards		-	-	374	92	82
Public Safety Dept						
Restrict Misc. Special Revenue		-	-	-	(10)	(3)
	Total	-	-	368	76	73
	Biennial Total			368		149
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Dept						
General Fund		-	-	(6)	(6)	(6)
Nursing Board						
Health Related Boards		-	-	374	293	291
Public Safety Dept						
Restrict Misc. Special Revenue		-	-	-	14	4
	Total	-	-	368	301	289
	Biennial Total			368		590
2 - Revenues, Transfers In*						
Health Dept						
General Fund		-	-	-	-	-
Nursing Board						
Health Related Boards		-	-	-	201	209
Public Safety Dept						
Restrict Misc. Special Revenue		-	-	-	24	7
	Total	-	-	-	225	216
	Biennial Total			-		441

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Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/29/2016**
 Agency: **Public Safety Dept**

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
Restrict Misc. Special Revenue	-	-	-	(10)	(3)
Total	-	-	-	(10)	(3)
Biennial Total			-		(13)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

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: Stewart McMullan Date: 3/29/2016 9:11:26 AM
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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
Restrict Misc. Special Revenue	-	-	-	(10)	(3)
Total	-	-	-	(10)	(3)
Biennial Total			-		(13)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Restrict Misc. Special Revenue	-	-	-	14	4
Total	-	-	-	14	4
Biennial Total			-		18
2 - Revenues, Transfers In*					
Restrict Misc. Special Revenue	-	-	-	24	7
Total	-	-	-	24	7
Biennial Total			-		31

Bill Description

The bill requires every applicant for registration as a massage and bodywork therapist to be subject to a state and federal fingerprint-based background check (lines 6.28-6.30). The Department of Public Safety, Bureau of Criminal Apprehension (BCA) is the repository for Minnesota criminal history records and the gateway for access to the national criminal history records maintained by the Federal Bureau of Investigation (FBI).

Assumptions

According to the Board of Nursing, there will be 700 registrations in the second year and 200 registrations every year thereafter. There will be no background check at renewal.

The FBI will continue to charge \$19.75 for a national criminal history records check.

The BCA will continue to charge \$15.00 for the Minnesota criminal history records check.

Expenditure and/or Revenue Formula

The cost for each background check is \$34.75. The total revenue from 700 checks in the second year is \$24,325.

Of that revenue, the FBI must be paid \$19.75 per check for \$13,825 the second year, and \$15.00 per check for \$10,500 will remain with BCA.

For the 200 checks in subsequent years, the total revenue is \$6,950 and the FBI must be paid \$3,950 per year, and \$3,000 will remain with BCA.

The portion of the fee in each year that is kept by BCA is used to pay for the employees who conduct the checks.

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Katie Engler 651-793-2721

Agency Fiscal Note Coordinator Signature: Larry Freund

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HF644 - 2E - "MN Massage and Bodywork Therapy"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/29/2016**
 Agency: **Office Of Higher Education**

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
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-

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: Amelia Cruver Date: 3/29/2016 9:55:44 AM
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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		Biennium			Biennium	
Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF644 includes:

Section 1: Citation

Section 2: Definitions to create a registry of massage therapists

Section 3: Scope of the practice of massage and body working therapy including exclusions

Section 4: Limitations of practice of a massage and body working therapist

Section 5: Restrictions on identifying as a registered massage and bodywork therapist

Section 5: Creation of a board to approval applicants of massage and bodywork therapists to registry

Section 6: Power of board to issue registration status

Section 7: Creation of advisory council to recommend registry standards

Section 8: Creation of eligibility of massage and bodywork therapists to become registered

Section 9: Establishes renewal and expiration process for registration status

Section 10: Establishes educational program requirements for registration status

Section 11: Board process for denying or approving registration status

Section 12: Grounds for taking disciplinary actions against registered massage and bodywork therapist

Section 13: Establishes boards process for reporting disciplinary actions

Section 14: Impact of registration on municipal ordinances

Section 15: Fees

Section 16: Effective Date

Assumptions

HF644 will not have a fiscal impact on OHE. The bill calls for the approval of massage therapy programs and institutions by a massage therapy board. This would normally make the institution exempt from licensure under our statute, but the bill also calls for the same institutions to maintain licensure with our office. Because OHE currently licenses these programs and institutions, and under the proposed legislation they are required to continue to be licensed by OHE, there is no fiscal impact on OHE.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Betsy Talbot, 651-259-3965

Agency Fiscal Note Coordinator Signature: Thomas Sanford

Phone: 651 259-3960

Date: 3/29/2016 8:15:06 AM

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HF644 - 2E - "MN Massage and Bodywork Therapy"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/29/2016**
 Agency: **Health Dept**

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

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	(6)	(6)	(6)	(6)
Total	-	-	(6)	(6)	(6)	(6)
Biennial Total			(6)			(12)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	((.08))	((.08))	((.08))
Total	-	-	((.08))	((.08))	((.08))

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: 3/29/2016 10:48:37 AM
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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		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
General Fund		-	-	(6)	(6)	(6)
Total		-	-	(6)	(6)	(6)
Biennial Total				(6)		(12)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	(6)	(6)	(6)
Total		-	-	(6)	(6)	(6)
Biennial Total				(6)		(12)
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill requires the Minnesota Board of Nursing to implement and administer a massage and body works therapy registration program. It establishes title protection for those who choose to register, but does not prohibit those who do not register from practicing.

Assumptions

The Minnesota Department of Health Health Regulation Division - Office of Unlicensed Complementary and Alternative Health Care Practice (OCAP) regulates individuals who provide complementary and alternative health care practices. Complementary and alternative health care practices includes a broad domain of health methods that include but are not limited to: massage and massage therapy; acupressure; anthroposophy; aroma therapy; ayurveda; cranial sacral therapy; culturally traditional healing practices; detoxification practices and therapies; energetic healing; polarity therapy; folk practices; healing practices utilizing food, food supplements, nutrients, and the physical forces of heat, cold, water, touch, and light; Gerson therapy and colostrum therapy; healing touch; herbology or herbalism; homeopathy; non-diagnostic iridology; body work; meditation; mind-body healing practices; naturopathy; noninvasive instrumentalities; and traditional Oriental practices, such as Qi Gong energy healing.

OCAP investigates complaints and takes disciplinary actions against unlicensed complementary and alternative health care practitioners who are found to have engaged in prohibited conduct. It is also a clearinghouse on complementary and alternative health care practices and unlicensed complementary and alternative health care practitioners. In SFY 2016, \$74,678 of state general funds were allocated to this program. This includes a portion of 1 FTE to handle investigations and disseminate information.

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It is assumed that this proposal, as written, would not relieve OCAP from jurisdiction over complaints about practitioners who choose not to be licensed under the new provisions along with the many other practice types OCAP has regulatory authority over.

At this time, we are not able to project the number of massage and bodywork therapists who would become registered under this bill and would no longer be subject to oversight by OCAP. However, we assume that this legislation would result in some reduction in costs to OCAP. The fiscal note reflects a 50% reduction in staffing and costs to OCAP for investigations and enforcement related to massage and bodywork therapy.

Expenditure and/or Revenue Formula

EXPENDITURES	SFY15	SFY16	SFY17	SFY18	SFY19
Salaries		0	-5	-5	-5
Other Operating Costs		0	0	0	0
Grants		0	0	0	0
Administrative Services		0	-1	-1	-1
OR Indirect Cost		0	0	0	0
TOTAL EXPENSES		0	-6	-6	-6

Long-Term Fiscal Considerations

None.

Local Fiscal Impact

None.

References/Sources

Agency Contact: Abigail Mosher (651-201-3947)

Agency Fiscal Note Coordinator Signature: Abigail Mosher

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HF644 - 2E - "MN Massage and Bodywork Therapy"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/29/2016**
 Agency: **Nursing Board**

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	-	-	374	92	82	
Total	-	-	374	92	82	
Biennial Total			374		174	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Health Related Boards	-	-	2	2	2
Total	-	-	2	2	2

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: 3/29/2016 10:48:24 AM
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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	-	-	374	92	82
Total	-	-	374	92	82
Biennial Total			374		174
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Related Boards	-	-	374	293	291
Total	-	-	374	293	291
Biennial Total			374		584
2 - Revenues, Transfers In*					
Health Related Boards	-	-	-	201	209
Total	-	-	-	201	209
Biennial Total			-		410

Bill Description

House File Number 644 establishes voluntary registration for massage and bodywork therapists; establishes fees; proposes coding for new law in Minnesota Statutes, chapters 148; 325F. The Alliance for Licensing Massage Therapists requested the Board of Nursing to consider regulating massage therapists through an Advisory Council model used by the Board of Medical Practice.

Section 1 of the bill states the section may be cited as the Minnesota Massage and Bodywork Therapy Act.

Section 2 of the bill provides the definitions used in the acts sections.

Section 3 of the bill defines the practice of massage and bodywork therapy.

Section 4 of the bill provides the limitations on practice as massage and bodywork therapists.

Section 5 of the bill establishes protected titles of massage and bodywork therapists.

Section 6 of the bill provides the powers to the Board of Nursing with the advice of the advisory council to issue registrations to massage and bodywork therapists, adopt rules, approve exams, impose discipline, take applications and employ staff needed to receive massage and bodywork therapist licensing services.

Section 7 of the bill establishes an Advisory Council that would consist of 5 members: 3 professional and 2 public.

Section 8 of the bill defines registration requirements.

Section 9 of the bill establishes annual renewal of registration.

Section 10 of the bill creates the requirements for approved education providers.

Section 11 of the bill requires board to take action on all applications. The board shall determine if the applicant meets requirements for registration or renewal. The board shall notify each applicant of the action taken.

Section 12 of the bill provides grounds for disciplinary action.

Section 13 of the bill establishes registered massage and bodywork therapists and applicants be subject to forms of disciplinary action in Minnesota Statutes, chapters 148.262 to 148.266.

Section 14 of the bill describes the effect of the bill on Municipal Ordinances.

Section 15 of the bill establishes fees for massage and bodywork therapist registration.

Section 16 of the bill provides an effective date of August 1, 2016. The Board assumes that although the effective date of the statute is August 1, 2016 the Board would not begin registering massage and bodywork therapists until August 2017 to allow the Board time to develop a data and operating system to process applications and develop a program approval process.

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Assumptions

Under this bill massage therapist registration would be voluntary.

The bill establishes voluntary registration for massage and bodywork therapists effective August 1, 2016. Because the Board of Nursing does not have occupational expertise, the Board will administer the registration, education program approval, and disciplinary process using an Advisory Council. The Board of Nursing must convene an Advisory Council and hire staff before applications could be processed. The program administrator would develop a data and operating system and a program approval process.

Expenditures: It is estimated that staff needed to run the program would be a full time State Program Manager and a full time Office and Administrative Specialist Principal. These positions are needed to develop the program for licensure and renewal. These levels of expertise are needed to support database development and maintenance and create and implement rules. The Board of Nursing expects to adapt a health-related licensing boards licensing data base to record and maintain registrations. Startup costs during FY 2017 include \$50,000 for computer services (modification of licensing database to include massage and bodywork therapists) and \$11,000 for equipment (staff computers, printers, and hardware and office furniture). These estimates are based on similar health-related licensing boards database modifications.

Revenues Applicants for registration will pay an initial registration fee and renew registration annually. Fees are included in the bill. We anticipate 1,500 applications for initial licensure within five years; no applications processed in the first year; 700 applicants year two, 200 applicants in years three, four and five. Renewals expected: 0 in year one and two, 700 in year three, 900 in year four, 1,100 in year five and 1,300 in year six. The estimated numbers are from the Massage Therapists Association who surveyed their members.

Expenditure and/or Revenue Formula

Expenditures

Description	FY 2015	FY2016	FY 2017	FY 2018	FY 2019	FY 2020
FT Salaries (1.0 State Program Mgr. And 1.0 OAS Principal)			188,395	188,395	188,395	188,395
Per Diems (Advisory Council and Board Members)			18,000	15,000	12,000	12,000

Description	FY 2015	FY2016	FY 2017	FY 2018	FY 2019	FY 2020
Space			6,000	6,000	6,000	6,000
Printing			2,000	2,000	500	500
Professional / Tech Consultants			1,000	1,000	1,000	1,000
Computer Services			50,000	10,000	5,000	5,000
Postage/Communications			10,000	12,000	12,000	12,000
In State Travel			4,000	4,000	4,000	4,000
Out State Travel			0	0	0	0
Supplies			3,000	3,000	3,000	3,000
Equipment			14,000	3,000	3,000	3,000
Other Operations			33,700	4,700	4,700	4,700
Office of Administrative Hearings			0	0	0	0
Subtotal			330,095	249,095	239,595	239,595
Administrative Service Unit			13,000	13,000	13,000	13,000
Health Professional Serv Prog			1,000	1,000	2,000	2,000
Attorney General			30,000	30,000	30,000	30,000
Statewide Indirect Costs			0	0	6,000	6,000
Total Expenses			374,095	293,095	290,595	290,595

Revenues

Fee Description	Current Fee	New Fee	Estimate Number Paying	Total Estimate Revenue FY 2018	Total Estimate Revenue FY 2019	Total Estimate Revenue FY 2020	Total Estimate Revenue FY 2021	Total Estimate Revenue FY 2022
Initial Regist & Application	0	285	700/200/200/ 200/200	199,500	57,000	57,000	57,000	57,000
Regist Renewal (Annual)	0	185	0/700/900/ 1,100/1,300	0	129,500	166,500	203,500	240,500
Initial School Approval	0	300	0/15/2/2/2	0	4,500	600	600	600
School Renewal (Annual)	0	200	0/0/0/0/5	0	0	0	0	1,000
Duplicate regist cert	0	15	100/100/100/	1,500	1,500	1,500	1,500	1,500

Fee Description	Current Fee	New Fee	Estimate Number Paying	Total Estimate Revenue FY 2018	Total Estimate Revenue FY 2019	Total Estimate Revenue FY 2020	Total Estimate Revenue FY 2021	Total Estimate Revenue FY 2022
			100/100					
Active-Inactive / Inactive-Active	0	50	1/1/1/1/1	50	50	50	50	50
Late Fee	0	50	0/0/ 2/2/2	0	0	100	100	100
Temporary Permit	0	50	0/100/25/25/ 15	0	5,000	1,250	1,250	750
Returned Check	0	35	0/35/35/35/35	0	1,225	1,225	1,225	1,225
Misc. receipts including practicing w/o reg fee and penalty fees	0	Un-known		0	10,000	2,500	2,500	3,000
Total				201,050	208,775	230,725	267,725	305,725

Long-Term Fiscal Considerations

Because registration would be voluntary, it is difficult to say how many will apply in the future.

The fee levels established in this bill do not fully support the costs described in this fiscal note. This would create a \$629,700 deficit in the state government special revenue fund over five years.

Local Fiscal Impact

The impact on local government is unknown. While they currently regulate massage therapists, the League of Cities supports the bill as they want a statewide standard for massage therapists.

References/Sources

Board staff and members of the Alliance for Licensing Massage Therapists.

Agency Contact: Shirley Brekken (612-317-3012)

Agency Fiscal Note Coordinator Signature: Juli Vangsness

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