

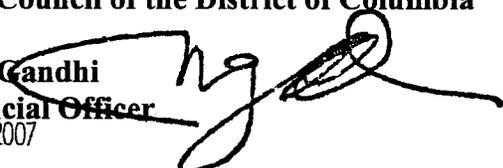
Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: SEP 12 2007

SUBJECT: Fiscal Impact Statement (Revised): "Health Occupations Revision Act of 1985 Amendment Act of 2007"

REFERENCE: Draft Bill – No Number Available

Conclusion

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. Implementation of the proposed legislation is estimated to generate approximately \$1.27 million in net revenue over the FY 2008 through FY 2011 period. Gross revenues are sufficient to cover projected expenditures, but would need to be appropriated for the specific purpose of the bill.

Background

The proposed legislation is intended to assist health professional licensing boards carry out their mandate of providing expeditious licensing and registration services for health professionals by updating and improving the scope and effectiveness of the health professional licensing and registration processes.

Specifically, the proposed legislation would amend the "Health Occupations Revision Act of 1985" to incorporate definitional changes and clarifications for various health professions; to establish a Board of Acupuncture; to create the position of Executive Director for the Boards of Nursing, Pharmacy, Allied Health, and Behavioral Health;¹ to increase the number of Board of Medicine members from 11 to 15; to increase the number of Board of Professional Counseling

¹ These positions are already "de facto" positions filled by District employees. This proposed legislation would simply make these "de jure" (by law) positions.

members from 5 to 7; to increase the number of Board of Social Work members from 5 to 7; to clarify the definitions of terms related to the licensing of health occupations; to establish licensure for polysomnographic technologists, graduate professional counselors, and advanced practice addiction counselors; to establish Tier II licensure for individuals who meet the American Association of State Counseling Boards requirements; to provide for the registration of dental assistants, pharmacy technicians, psychological associates, and polysomnographic trainees; to provide for certification for addiction counselors I and II; to repeal the waiver of licensure requirements for massage therapists; to repeal registration of naturopaths; to provide for the regulation of Addiction Counseling by the Board of Professional Counseling; to expand the number of acts for which health professionals may be disciplined; provide for the issuance of temporary licenses; mandate health professionals to provide copies of records upon request; and to establish reasonable fees for such copies to be charged through rulemaking.

Financial Plan Impact

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. Implementation of the proposed legislation is estimated to generate approximately \$1.27 million in net revenue over the FY 2008 through FY 2011 period.

New license and registration fees will be deposited into the Health Occupations Regulation Fund, to be used by the Department of Health without fiscal year limitation.² Gross revenues from the proposed bill would be more than sufficient to fully offset the cost of additional staff required to implement the proposed legislation. However, the new revenue would have to be appropriated before it can be spent, and any increases in staffing would require specific authorization for the purposes of the proposed bill.

It is estimated that the Department of Health (DoH) would require four additional staff members to implement the provisions of the proposed legislation. This includes one attorney, one paralegal specialist, and two investigators.³

Though the proposed legislation calls for the creation of four "new" Executive Director positions — implying an additional cost— these positions are in fact already filled by District employees. The proposed legislation simply makes these positions de jure. Their costs are already included in the District's baseline budget and they are not included in the fiscal impact assessment of this proposed legislation.

² Per D.C. Code § 7-733

³ **Attorney:** Reports directly to the Lead Attorney of the Health Professional Licensing Administration (HPLA) with the responsibility for working with the Legal unit. Reviews information presented and relevant case law to determine whether a proceeding or a filing should be indicated. **Paralegal specialist:** Lends legal support to the Attorney Advisor. Assists the Attorney Advisor in rendering advisor opinions on policy and statutory interpretations in response to public, inter-department and intra-department inquiries. **Investigator:** Executive level position reporting directly to the Administrator of HPLA. Performs duties and special assignments independently, exercising complete judgment within the purview of established rules, regulations, and policies of DoH.

| Estimated Revenue Impact to the Financial Plan | | | | | |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|---------------------|
| | FY 2008 | FY 2009 | FY 2010 | FY 2011 | 4-Year Total |
| Expenditures* | \$423,737 | \$320,893 | \$436,520 | \$342,613 | \$1,523,762 |
| Revenue** | \$1,681,895 | \$0 | \$1,108,235 | \$0 | \$2,790,130 |
| Available Fund Balance Required*** | \$0 | \$320,893 | \$0 | \$342,613 | |
| Net Revenue | | | | | \$1,266,368 |

* Includes revenue loss associated with the repeal of certain registration requirements.

** Licenses and registrations are renewed every two years at a reduced rate.

*** The Health Occupations Regulation Fund balance would only be required in odd-numbered years when revenues would not be sufficient to offset expenditures. The "\$0" figure in FY 2008 and FY 2010 denotes that revenues would be sufficient to offset expenditures in those fiscal years, and thus, money from the Fund balance would not be required for the purposes of this bill.