

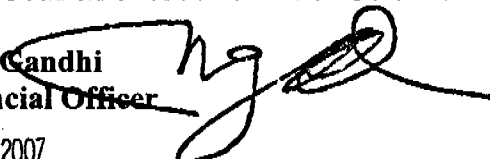
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** JUL -9 2007

**SUBJECT:** Fiscal Impact Statement: "Health Occupations Revision Act of 1985  
Amendment Act of 2007"

**REFERENCE:** Draft Bill – No Number Available

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**Conclusion**

Funds are not 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 result in unfunded expenditures of approximately \$945,000 over the FY 2008 through FY 2011 period. Revenue from new licensing and registration requirements is not expected to fully offset the cost of additional staff needed to implement the proposed legislation.

**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;<sup>1</sup> to increase the number of Board of

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

Medicine members from 11 to 15; to increase the number of Board of Professional Counseling 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 not 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 result in unfunded expenditure of approximately \$945,000 over the FY 2008 through FY 2011 period. Revenue from new licensing and registration requirements is not expected to fully offset the cost of additional staff needed to implement the proposed legislation.<sup>2</sup>

It is estimated that the Department of Health (DoH) would require ten additional staff members to implement the provisions of the proposed legislation. This includes one attorney, two paralegal specialists, six investigators, and one health licensing specialist.<sup>3</sup>

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<sup>2</sup> Generally, licensure and registration for health professionals operating in the District of Columbia must be renewed every two years. Per D.C. code (§3-1204.06) members of health boards are entitled to compensation for travel and other expenses directly related to their duties with the respective District board(s). Their yearly expenses are estimated to be, on average, \$10,000 each. License and registration fees from District health professionals are deposited into the Health Occupations Regulation Fund (D.C. Code § 7-733) and are continuously available to the District Department of Health (DoH) for salaries and all other expenses necessary to carry out the duties of the health boards. The Fund is non-lapsing and non-reverting, and is administered by DoH without fiscal year limitation.

<sup>3</sup> **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. **Health Licensing Specialist:** Responsible for reviewing and approving applications, providing administrative support to health licensing boards, communicating with professional, regulatory, and health organizations, and assisting applicants with their applications.

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. Thus, 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.

<b>Estimated Revenue Impact to the Financial Plan</b>					
	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>4-Year Total</b>
<b>Expenditures*</b>	\$949,991	\$867,585	\$998,154	\$919,713	\$3,735,443
<b>Revenue**</b>	\$1,681,895	\$0	\$1,108,235	\$0	\$2,790,130
<b>Total Impact</b>	\$743,684	(\$855,743)	\$120,081	(\$907,434)	(\$945,313)

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

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