

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 613 - HB 980

March 24, 2015

SUMMARY OF BILL: Requires the Board of Medical Examiners (BME), in consultation with the Board of Osteopathic Examination (BOE), to create an online registry for medical spas. Requires any medical director or supervising physician who is responsible for or supervises a medical spa must provide the boards with certain information. Requires the boards to post a notice of the requirements provided in this legislation on the website of each board. Requires the boards to utilize existing resources and personnel in the implementation of the provisions of this legislation.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$31,300/One-time/Board of Medical Examiners and Board of Osteopathic Examination
\$62,400/Recurring/Board of Medical Examiners and Board of Osteopathic Examination**

Other Fiscal Impact – The bill requires the Boards of Medical Examiners and Osteopathic Examiners to utilize existing resources and personnel to implement the online registry; however, that provision does not nullify the fact that requiring the creation of a new online registry will require expenditures not currently contemplated. It does, however, require the Boards to absorb these costs using current fee revenue to meet the requirements of the bill. The Board of Medical Examiners had an annual deficit of \$75,431 in FY13-14 and a cumulative reserve balance of \$2,365,965 on June 30, 2014. The Board of Osteopathic Examination had an annual surplus of \$94,728 in FY13-14 and a cumulative reserve balance of \$541,628 on June 30, 2014.

Assumptions:

- According to the Department of Health, Division of Health Related Boards, the Board of Medical Examiners can create and maintain a registry of medical spas and post any required information upon its website.
- The Board will utilize two existing vendors, VERSA and NIC to build this registry. VERSA has provided the Board with a one-time cost estimate of \$12,000 to add a new registry to the VERSA regulation system. This website will need to interface with the state's web portal vendor, NIC. NIC has provided the Board with a one-time cost estimate of \$15,000 for a total one-time cost of \$27,000.

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- The Board will need to hire one Registered Board Administrative Assistant-2 position, resulting in a recurring increase in expenditures of \$62,400 (Salary \$38,800 + Benefits \$17,500 + Office Space Lease \$4,100 + Phone/LAN/WAN \$1,400 + Supplies \$600) and one-time costs of \$4,300 (Computer \$1,600 + Office Furniture \$2,700).
- Total recurring costs are \$62,400.
- Total one-time costs are \$31,300 (\$27,000 + \$4,300).
- The Board of Medical Examiners had an annual surplus of \$288,380 in FY12-13, an annual deficit of \$75,431 in FY13-14, and a cumulative reserve balance of \$2,365,965 on June 30, 2014.
- The Board of Osteopathic Examination had annual surpluses of \$101,696 in FY12-13 and \$94,728 in FY13-14, and a cumulative reserve balance of \$541,628 on June 30, 2014.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/jdb