

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 315 – SB 1204

February 23, 2017

**SUMMARY OF BILL:** Requires that all examination questions, answer sheets, scoring keys, and other examination data used for the purpose of licensure, certification, or registration of health professionals be treated as confidential. Authorizes entities that regulate health professionals to issue limited licenses. Requires certain materials, documents, and other matters related to an investigation conducted on behalf of the Department of Health (DOH) to be confidential and not be subject to subpoena before formal disciplinary charges are filed against the provider. Eliminates the locality rule in all administrative actions and authorizes members of a board, committee, council, or agency to rely upon their own expertise in making determinations concerning the standard of care. Makes various changes related to reporting disciplinary matters to licensure entities.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Exceeds \$3,400/Division of Health Related Boards**

Assumptions:

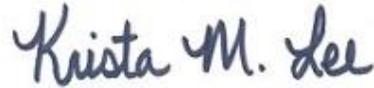
- Based on information provided by the DOH, it is determined that any changes in policies and procedures can be accommodated within existing resources without an increased appropriation or reduced reversion.
- There will be an increase in revenue to the Division of Health Related Boards for issuing limited licenses to applicants who have been out of practice for an extended period of time and whose applications would be denied under current law as a result.
- The total number of limited licenses that will be issued each year is unknown. However, based on information from the DOH, it is estimated that a minimum of ten such licenses will be issued annually by entities that regulate health professionals. The average licensure fee, based on the fee charged by the Committee on Physician Assistants, is estimated to be \$335.
- The recurring increase in state revenue to the Division of Health Related Boards is estimated to exceed \$3,350 (10 x \$335).
- There will not be a significant increase in state expenditures associated with issuance of such licenses, as the licenses will be granted to professionals who would apply for such licensure under current law.
- Eliminating the locality rule is estimated to not have a significant impact on outcomes of disciplinary hearings, but could result in cost savings, as there would be an increase in

experts available to testify in such hearings and review cases, which could decrease the hourly charges by such individuals due to increased competition. Currently, the Division of Health Related Boards pays up to \$750 per hour for such experts, with a majority of charges falling in the \$300 to \$500 range.

- The proposed bill could result in an increased number of disciplinary cases due to the increased reporting requirement. Any increase in state expenditures related to processing such additional disciplinary actions is estimated to be offset by any decreases in state expenditures associated with decreased compensation of experts chosen to testify in and review disciplinary cases. Any net impact to state expenditures is estimated to be not significant.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

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