

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 884 – HB 1377

March 5, 2019

SUMMARY OF BILL: Creates the *Doctor of Medical Science Act*. Requires the Board of Medical Examiners (BME) to grant an applicant a license as a Doctor of Medical Science (DMS), if the person previously has been licensed and served in clinical practice for at least three years in one or more states as a physician assistant; is a graduate of a minimum two-year DMS program accredited by a regional body under the United States Department of Education; has successfully completed the examination on the certification of DMS; and provides satisfactory evidence of an affiliation or association with a hospital, group practice, or a list of physicians with medical expertise outside the expertise of the person seeking licensure as a Doctor of Medical Science, as determined by the BME. Effective January 1, 2020.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$18,000/FY19-20/Board of Medical Examiners
\$12,300/FY20-21/Board of Medical Examiners
\$22,600/FY21-22/Board of Medical Examiners
\$19,400/FY22-23 and Subsequent Years/
Board of Medical Examiners**

**Increase State Expenditures –
Less than \$84,500/FY19-20/Board of Medical Examiners
Less than \$74,500/FY20-21/Board of Medical Examiners
Less than \$84,800/FY21-22/Board of Medical Examiners
Less than \$81,500/FY22-23 and Subsequent Years/
Board of Medical Examiners**

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. Any substantial increase in expenditures to the Board may result in an increase in licensure fees in order to remain self-supporting. The Board of Medical Examiners had an annual deficit of \$4,714 in FY16-17, an annual deficit of \$231,445 in FY17-18, and a cumulative reserve balance of \$2,467,326 on June 30, 2018.

Assumptions:

- Based on information provided by the Department of Health (DOH), the proposed legislation cannot be accommodated within existing resources. The DOH will require one additional Regulatory Board Administrative Assistant 2 position to administer the clerical needs for the new program under the BME.
- The one-time increase in expenditures associated with the additional position is estimated to be \$4,300 (\$1,600 computer cost + \$2,700 office furniture).
- The recurring increase in state expenditures associated with the additional position is estimated to be \$62,150 (\$39,180 salary + \$13,070 benefits + \$7,900 administrative cost + \$1,400 communications + \$600 supplies).
- The new DMS licensure requires the applicant to have graduated from a minimum two-year Doctor of Medical Science program accredited by a regional body under the United States Department of Education.
- There is currently only one program of this type in the state. There were 14 DMS graduates in FY18-19. The current enrollment is 59 students with a capacity of 60 students.
- Due to the effective date of January 1, 2020, it is assumed 44 applicants [(59 students / 2 year program) + 14 current graduates) will apply for a licensure in FY19-20. The max capacity of 30 students is assumed to apply for licensure in FY20-21 and subsequent years.
- The BME currently assesses a \$410 application fee for licensure as a medical doctor. It is assumed the BME would charge a fee comparable to the licensure for a medical doctor of \$410.
- The increase in state revenue to the BME in FY19-20 is estimated to be \$18,040 (44 applicants x \$410).
- The recurring increase in state revenue to the BME is estimated to be \$12,300 (30 applicants x \$410) in FY20-21 and subsequent years.
- The increase in state expenditures associated with the new DMS licensure are estimated to be less than \$18,040 in FY19-20 and less than \$12,300 in FY20-21 and subsequent years.
- The new DMS licensure will be renewed biennially at an estimated cost of \$235. Renewals will be required starting January of 2022. The recurring increase in state revenue is estimated to be \$10,340 (44 renewals x \$235) in FY21-22 and \$7,050 (30 renewals x \$235) in FY22-23 and subsequent years.
- The increase in state expenditures associated with the renewal of the new DMS licensure is estimated to be less than \$10,340 in FY21-22 and less than \$7,050 in FY22-23 and subsequent years.
- The total increase in state revenue in FY19-20 is estimated to be \$18,040.
- The total increase in state revenue in FY20-21 is estimated to be \$12,300.
- The total increase in state revenue in FY21-22 is estimated to be \$22,640 (\$12,300 + \$10,340).
- The total recurring increase in state revenue in FY22-23 and subsequent years is estimated to be \$19,350 (\$12,300 + \$7,050).

- The total increase in state expenditures in FY19-20 is estimated to be less than \$84,490 (\$4,300 + \$62,150 + \$18,040).
- The total increase in state expenditures in FY20-21 is estimated to be less than \$74,450 (\$62,150 + \$12,300).
- The total increase in state expenditures in FY21-22 is estimated to be less than \$84,790 (\$62,150 + \$12,300 + \$10,340).
- The total recurring increase in state expenditures in FY22-23 and subsequent years is estimated to be less than \$81,500 (\$62,150 + \$12,300 + \$7,050).
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. Any substantial increase in expenditures to the Board may result in an increase in licensure fees in order to remain self-supporting. The Board of Medical Examiners had an annual deficit of \$4,714 in FY16-17, an annual deficit of \$231,445 in FY17-18, and a cumulative reserve balance of \$2,467,326 on June 30, 2018.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

/vlh