

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 843** HLS 15RS 2396
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.: HB 573

Date: June 4, 2015 5:16 PM	Author: HAZEL
Dept./Agy.: La. State Board of Medical Examiners	Analyst: Alan M. Boxberger
Subject: Provide for violation investigation/adjudication by LSBME	

BOARDS/COMMISSIONS RE1 INCREASE SG EX See Note Page 1 of 1
 Provides for the investigation and adjudication of violations by the Louisiana State Board of Medical Examiners

Present law provides that three members of the La State Board of Medical Examiners (LSBME) constitute a quorum for all purposes. Present law authorizes the LSBME to refuse to issue, or suspend or revoke any license or permit, or impose probationary or other restrictions on any license or permit for certain causes.

Proposed law raises the quorum to four; clarifies causes for certain refusal to issue, suspension or revocations of licenses or permits; authorizes any staff member of the board, except the executive director to act as the lead investigator for any complaint received by the board regarding a physician or any investigation initiated by the board upon its own motion; requires to board to promulgate rules to provide for the investigation of complaints and to satisfy minimum due process requirements; requires any final decision to be supported by a preponderance of evidence presented at an adjudicatory hearing; provides that proposed law shall have prospective application only and shall not apply to any pending investigation; and requires promulgation of required rules to be completed no later than 1/1/16 and for monthly progress reports on said rule promulgation beginning 7/1/15.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$427,411	\$345,881	\$358,851	\$373,722	\$387,140	\$1,893,005
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$427,411	\$345,881	\$358,851	\$373,722	\$387,140	\$1,893,005

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
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Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law may result in a significant increase in SGR expenditures by the Louisiana State Board of Medical Examiners (LSBME). Proposed law increases the board's quorum requirement from three to four board members and establishes certain requirements with regard to investigations and adjudications conducted by the board. LSBME estimates FY16 costs to be approximately \$427,000 and FY17 to be approximately \$346,000 (costs are adjusted for inflation and merit increases in subsequent fiscal years).

LSBME reports that proposed law will require an increase of SGR expenditures above current year projections as follows:

	FY16	FY17	FY18	FY19	FY20
<u>Personal Services</u>					
Physician Consultant (Unclassified)	\$246,901	\$256,592	\$266,672	\$278,538	\$288,839
RN Compliance Investigator	\$74,240	\$77,009	\$79,889	\$82,884	\$85,991
<u>Operating Services</u>					
Board Member per diem/expenses	\$6,270	\$6,280	\$6,290	\$6,300	\$6,310
Computer Software (purchase and maintenance)	\$100,000	\$6,000	\$6,000	\$6,000	\$6,000
	\$427,411	\$345,881	\$358,851	\$373,722	\$387,140

LSBME estimates that the additional workload associated with enhanced requirements of due process will result in the need to hire one additional investigator. Proposed law prohibits the executive director from serving as the lead investigator on any complaint. LSBME reports the executive director is the only M.D. on the existing professional staff of the LSBME and this prohibition will require hiring a full-time physician to properly conduct investigations. This fiscal note assumes a 4% annual increase in personal services costs.

LSBME reports it will need to acquire (one-time cost of \$100,000) and maintain a new software system to properly track and administer investigations.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	<u>Dual Referral Rules</u>	House	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<i>Evan Brasseaux</i> Evan Brasseaux Staff Director
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}		
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		