

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version: SB 98  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: CSSB098(HSS)-DCCED-CBPL-02-24-16  
Title: PRESCRIPTION WITHOUT PHYS. EXAM.  
Sponsor: MICCICHE  
Requester: (S) Labor & Commerce

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Corporations, Business and Professional  
Licensing  
Allocation: Corporations, Business and Professional  
Licensing  
OMB Component Number: 2360

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>								
Personal Services	343.0		343.0	343.0	343.0	343.0	343.0	343.0
Travel								
Services	52.5		148.6	148.6	148.6	148.6	148.6	148.6
Commodities	20.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>415.5</b>	<b>0.0</b>	<b>491.6</b>	<b>491.6</b>	<b>491.6</b>	<b>491.6</b>	<b>491.6</b>	<b>491.6</b>

## Fund Source (Operating Only)

1156 Rcpt Svcs	415.5		491.6	491.6	491.6	491.6	491.6
<b>Total</b>	<b>415.5</b>	<b>0.0</b>	<b>491.6</b>	<b>491.6</b>	<b>491.6</b>	<b>491.6</b>	<b>491.6</b>

## Positions

Full-time	4.0		4.0	4.0	4.0	4.0	4.0
Part-time							
Temporary							

<b>Change in Revenues</b>	415.5		491.6	491.6	491.6	491.6	491.6
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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

## Why this fiscal note differs from previous version:

The committee substitute adds additional license types to the bill. Personal services, services, and commodities are updated to reflect additional anticipated expenses.

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Division: <u>Corporations, Business and Professional Licensing</u>	Date: 02/24/2016 05:00 PM
Approved By: <u>Catherine Reardon, Director</u>	Date: 02/24/16
Agency: <u>Division of Administrative Services, DCCED</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

BILL NO. CSSB 98(HSS)

Analysis

CSSB 98(HSS) expands the practice of telemedicine from prescribing, dispensing, or administering a prescription drug without conducting a physical examination (as authorized under HB 281 during the 2014 legislative session) to also include diagnosing and treating patients without conducting a physical examination, allowing these practices by a physician who is not located in the state of Alaska, changing the patient consent requirements, and allowing prescription of controlled substances under certain circumstances.

The significant expansion of the practice of telemedicine authorized under this bill will require substantial administrative and investigative resources to pursue complaints pertaining to a rapidly expanding body of licensees who are practicing “in Alaska” but operating in locations across the nation.

The division has seen a 400% increase in medical license applications since telemedicine was expanded through legislation effective November 2014. This bill would dramatically increase the number of applicants, the geographic reach of applicant licensure, and the volume of supporting documentation required to examine fitness to practice. It would also multiply the potential for pre-application investigations. These changes would result in more costly investigative and legal support to respond to complaints, to discipline licensees for violations occurring across the nation, and to comply with increased licensee appeals of board actions.

CSSB 98(HSS) similarly expands telehealth outside Alaska’s borders in the practices of social workers, professional counselors, psychiatrists, psychiatric associates, and marital and family therapists. Because these professions do not have prescriptive authority, the investigative concerns are not as high. The licensing workload, however, is anticipated to increase dramatically.

This fiscal note provides for two Occupational Licensing Examiners, range 14, to examine license applications and issue licenses. In addition, this fiscal note includes two Investigator III's, range 18, to investigate violations and enforce Alaska laws on this new population of licensees. Investigative personnel would also be tasked with regulating a new type of violation, “practice location.” The additional staff would be necessary to determine violations of specific geographic scope.

If the bill passes the following expenses will be incurred:

Personal Services: \$343.0 (two full-time permanent Occupational Licensing Examiner, range 14, and two full-time permanent Investigator III, range 18)

Services: \$12.5 (legal costs to amend regulations for the five programs, printing, and postage)

\$108.6 (legal cost of investigations and appeals beginning in year two)

\$40.0 (department-wide services support for four positions)

Commodities: \$20.0 in first year (computer, office panels, office furniture and other one-time needs for four new positions)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation’s actual regulatory costs.