

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0755
Prime Sponsor(s): Sen. Herpin
 Rep. Saine

Date: February 10, 2014
Bill Status: Senate Health & Human Services
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SHORT TITLE: MODIFY NATUROPATHIC DOCTOR ACT

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue	<u>\$56,940</u>	<u>\$54,540</u>
<i>Revenue Change</i>		
Cash Funds	56,940	54,540
State Expenditures	<u>\$57,548</u>	<u>\$52,792</u>
Cash Funds	46,247	41,198
Centrally Appropriated Costs**	11,301	11,594
FTE Position Change	0.7 FTE	0.7 FTE
Appropriation Required: \$46,247 - Cash Funds- Dept. of Regulatory Agencies (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

This bill allows a naturopathic doctor (ND) who does not meet the education or examination requirements under current law to obtain a state-issued registration if he or she holds an active certification from the American Naturopathic Medical Certification Board (ANMCB). Other registration requirements for age, moral character, and prior license status under current law are maintained.

The bill eliminates the authority for an ND to conduct minor office procedures, or to prescribe or use in practice certain nonprescription classes of medicines. In addition, the authority for the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA) to adopt a naturopathic formulary is also eliminated.

Finally, the bill changes the size and composition of the Naturopathic Medicine Advisory Committee from 9 to 11 members by adding 3 ANMCB certified NDs and eliminating one member who is a doctor of medicine or osteopathy.

Background

In April 2014, the first NDs will register with the DORA pursuant to House Bill 13-1111. The DORA's FY 2014-15 budget request for the program is \$37,619 cash funds and 0.9 FTE. Under current law, the DORA anticipates about 120 ND registrations. Under this bill, the DORA anticipates 1,900 ANMCB certified NDs will also register, greatly increasing the number of regulated professionals.

State Revenue

This bill will increase state revenue from fees by an estimated \$56,940 in FY 2014-15 and by \$54,540 in FY 2015-16. Increased state revenue from fees is estimated to correspond to the increased costs identified in the State Expenditures section of this fiscal note. Fees are credited to the Division of Professions and Occupations Cash Fund at the DORA.

Fee impact on naturopathic doctors. Section 2-2-322, C.R.S., requires legislative service agency review of measures that create or increase any fee collected by a state agency. Registration fees for NDs will be set administratively by the DORA based on the existing cash fund balance, estimated program costs, and the number of total ND registrations. Since fees have not been set for the program and no NDs have registered, the bill's incremental impact on fees cannot be identified; however, based on the program costs anticipated for FY 2014-15, plus the increased costs identified in the State Expenditures section of this fiscal note spread across 2,020 registered NDs, fees for ND registrations are estimated at \$100 annually.

State Expenditures

In FY 2013-14, this bill will result in total new costs of \$57,548 and 0.7 FTE in the DORA. In FY 2014-15, total costs are \$52,792 and 0.7 FTE. Major cost components are discussed below and summarized in Table 1.

Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$36,308	\$36,308
FTE	0.7	0.7
Operating Expenses and Capital Outlay	5,653	950
Advisory Committee Expenses	998	1,498
Outreach and Communication	3,288	2,442
Centrally Appropriated Costs*	11,301	11,594
TOTAL	\$57,548	\$52,792

**Centrally appropriated costs are not included in the bill's appropriation.*

Personnel and administration. The DORA will require new administrative staff in order to register an additional 1,900 NDs, and new criminal investigatory staff for enforcement and compliance activities. It is assumed that the increase in registered NDs will result in a concurrent increase in complaints against NDs (both registered and unregistered) and, therefore, increased need for investigation and enforcement activities. Total combined FTE to accommodate these new activities is estimated at 0.7 FTE (0.3 FTE Administrative Assistant III and 0.4 FTE Criminal Investigator I). The DORA will also have increased administrative costs and workload to review additional registration application and issue registrations. Costs include printing and outreach in order to communicate new requirements to regulated professionals.

Advisory board expenses. The bill increases the size of the Naturopathic Medicine Advisory Committee from 9 to 11 members. Adding two members to the committee is anticipated to increase costs for reimbursements and related travel expenses by \$998 in FY 2014-15 and by \$1,498 in FY 2015-16.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in Table 2.

Table 2. Centrally Appropriated Costs Under SB 13-128*		
Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,276	\$4,276
Supplemental Employee Retirement Payments	2,521	2,814
Indirect Costs	4,504	4,504
TOTAL	\$11,301	\$11,594

**More information is available at: <http://colorado.gov/fiscalnotes>*

Departmental Difference

The Division of Professions and Occupations in the DORA has estimated that for FY 2014-15, this bill increases state expenditures by \$196,477 and 1.3 FTE, which includes centrally appropriated costs of \$18,827; the DORA's estimates for FY 2015-16 are \$105,057 and 1.3 FTE, which includes centrally appropriated costs of \$19,360.

The division's estimate assumes that NDs registered pursuant to SB 14-128 must be regulated as a separate registration type from NDs registered pursuant to HB 13-1111. Based on this interpretation, the division believes these NDs require the creation of a new and distinct registration program and continued competency program. Creating new and distinct processes would require additional expenses for temporary contract labor, full time staff, computer programming from the Office of Information Technology, and legal services from the Department of Law.

This fiscal note has not included the DORA's estimates for the following reasons. Under current law, the division is already required to create a registration process and ensure that NDs maintain continuing professional competency. SB 14-128 requires only that the criteria used to register NDs include ANMCB certification as a substitute for prior education and other qualifications. This change does not affect the continued competency provisions of the practice act, and the bill does not require any additional rule making. This fiscal note includes only the increased cost necessary for the division to provide regulatory oversight over additional NDs, and to reimburse the travel of additional ND advisory board members.

State Appropriations

For FY 2014-15, the bill requires a cash fund appropriation of \$46,247 and 0.7 FTE from the Division of Professions and Occupations Cash fund to the Department of Regulatory Agencies.

Departments Contacted

Law Regulatory Agencies