

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 543 (Second Edition)
SHORT TITLE: Amend Laws Pertaining to NC Medical Board.
SPONSOR(S): Representatives Brawley and Jones

FISCAL IMPACT					
(\$ in millions)					
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Revenues:	**See Assumptions and Methodology**				
General Fund Expenditures:					
State Positions:					
NET IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Medical Board					
EFFECTIVE DATE: This act becomes effective October 1, 2015.					
TECHNICAL CONSIDERATIONS:					
None					

BILL SUMMARY:

House Bill 543 amends GS 90-2(b) concerning the North Carolina Medical Board (Board), providing that no member can serve more than two complete consecutive three-year terms in a lifetime (previously did not limit it to a lifetime). It amends GS 90-3(b) adding language that provides that you cannot have served more than 72 months as a member of the Board as criteria for serving on the Board. The bill also amends GS 90-3(c), making technical changes.

The bill adds new subsections to GS 90-3, concerning the Review Panel recommending certain Board members, providing that the Board can provide the Review Panel with confidential and nonpublic licensing and investigative information it possesses. It provides that the information the Review Panel receives or gathers is not a public record but rather is privileged, confidential, and not subject to discovery or other legal means of compulsory release and requires the Review Panel to publish specified information concerning the nominees to the Board. House Bill 543 establishes that the Review Panel is a public body within the meaning of GS Chapter 143, Article 33C, authorized to conduct business as specified.

House Bill 543 Amends GS 90-5.2 concerning the collecting and publishing of data collected by the Board, making technical and clarifying changes.

The bill amends GS 90-8.1, concerning the rules for licensure, providing that the Board cannot deny an application for licensure based solely on the applicant's failure to become board-certified.

House Bill 543 amends GS 90-13.1(a), changing the application fee to be licensed to practice medicine and surgery in North Carolina to \$400 (was, \$350). It amends GS 90-13.3, concerning specified registration fees, requiring all individuals licensed to practice medicine in North Carolina to register with the Board and pay a \$250 registration fee (was, \$175). The bill provides that those that have a retired limited volunteer license, pursuant to GS 90-12.1B, are not required to pay an annual registration fee (previously, were required to pay a \$25 fee). And it deletes language which provided that inactive physicians in North Carolina could direct the Board to place their licenses on inactive status.

The bill amends GS 90-14(n) concerning disciplinary proceedings, making technical and clarifying changes, deleting language which only allowed service of process to both the licensee and counsel if the licensee retained counsel before the Board made a nonpublic determination to initiate disciplinary proceedings. It enacts new GS 90-14.2(c) concerning discovery in disciplinary hearings, providing that the parties can engage in discovery once charges have been issued. Further provides that the Board must provide the respondent or counsel all the exculpatory evidence in its possession except for information subject to attorney-client privilege; information that would identify an anonymous complainant; and information related to advisory opinions, recommendations, or deliberations by the Board or associated staff.

The bill amends GS 90-14.13(a1)(1) deleting language which provided an exception to the prohibition on hospitals reporting the suspension or limitation of a physician's privileges for failure to timely complete medical records. It recodifies GS 90-21.22A (Medical review and quality assurance committees) as GS 90-21.22B.

House Bill 543 renames GS Chapter 90, Article 1D, as Health Program for Medical Professionals (was, Peer Review), and it enacts new GS 90-21.22A, Health Program for Medical Professionals, providing that the Board is authorized to enter into agreements with the NC Medical Society, the NC Academy of Physician Assistants, and the NC Physicians Health Program in order to identify, review, and evaluate the ability of licensees of the Board referred to the NC Physicians Health Program to function in their professional capacity, as well as to coordinate regimens for treatment and rehabilitation. It sets out guidelines for the agreement requiring the agreement to include procedures for the Board to refer licensees to the NC Physicians Health Program as well as the maintenance of confidential nonpublic information. Also, it sets out criteria that if met the NC Physicians Health Program is required to immediately report to the Board detailed information about certain licensees, including that such licensees refuse to submit to an assessment as ordered by the Board or they are still unsafe to practice medicine after treatment.

The bill sets out provisions governing the confidentiality of any information received or created by the NC Physicians Health Program, maintaining that such records are privileged, confidential, and not subject to the specified methods of legal compulsion. It sets out provisions concerning the licensee's ability to receive copies of written assessments. Also, the bill provides for civil protection for activities conducted in good faith. It authorizes the Board to adopt or amend rules as necessary to enforce the above provisions.

The bill repeals GS 90-16(d) (concerning the access of specified information to a licensee) and GS 90-21.22 (Peer review agreements).

ASSUMPTIONS AND METHODOLOGY:

The proposed list of North Carolina Medical Board fee changes are displayed in the table below.

H543 - Proposed Fee Changes		
Fee	Current	Proposed
License Application Fee	\$350.00	\$400.00
Annual License Registration Fee	\$175.00	\$250.00
Retired Limited Volunteer Licence - Annual Registration Fee	\$25.00	\$0.00

The North Carolina Medical Board provided the Fiscal Research Division with data covering FY2013-14. They reported 2,318 M.D. and D.O. applications, 35,240 annual license registrations, and 67 retired limited volunteer licenses.

It's estimated that for FY2015-16, House Bill 543 would generate \$2,757,225 in additional fee revenue for the NC Medical Board. This assumes the same level of applications and licenses as were reported in FY2013-14.

Fee Data provided by NC Medical Board			
	Number of Instances	Fee Difference	Revenue Impact
License Application Fee	2,318	\$50	\$115,900
Annual License Registration Fee	35,240	\$75	\$2,643,000
Retired Limited Volunteer Licence - Annual Registration Fee	67	(\$25)	(\$1,675)
Total Impact			\$2,757,225

The occupational projections from the North Carolina Department of Commerce estimate an average increase in the number of physicians and surgeons as being approximately 2.0% yearly from 2012 through 2022. The yearly number of application and registration instances has been grown using those projections.

North Carolina Medical Board Fiscal Impact					
(\$ in millions)					
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues	\$2.8	\$2.8	\$2.9	\$2.9	\$3.0

SOURCES OF DATA: North Carolina Medical Board; North Carolina Department of Commerce

TECHNICAL CONSIDERATIONS: None

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