

Department of Planning and Budget 2011 Fiscal Impact Statement

1. **Bill Number:** HB 2487

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron:** Kilgore, Terry G.

3. **Committee:** Health, Welfare and Institutions

4. **Title:** Naturopaths; license required

5. **Summary:** Requires the Board of Medicine to license and regulate naturopaths. The bill defines a naturopath as an individual, other than a doctor of medicine, osteopathy, chiropractic, or podiatry, who may diagnose, treat, and help prevent diseases using a system of practice that is based on the natural healing capacity of individuals, using physiological, psychological, or physical methods, and who may also use natural medicines, prescriptions, legend drugs, foods, herbs, or other natural remedies, including light and air.

6. **Budget Amendment Necessary:** No. There is no clear estimate as to the additional expenditure required for the licensure of naturopaths, however additional nongeneral fund appropriation can be provided administratively once such spending needs are determined.

7. **Fiscal Impact Is Unknown** (see item 8)

8. **Fiscal Implications:** Although the regulation of naturopaths will clearly have a fiscal impact on the Board of Medicine, the amount and impact on licensure fees is unknown. Costs for the Board of Medicine will increase in licensing and disciplinary functions as well as the operation of another advisory board. The fee structure for professions regulated by the Department of Health Professions (DHP) is established as to offset the anticipated costs of the board. Although the department does not have an exact estimate as to the number of naturopaths in the Commonwealth, it believes there are less than 20.

Each profession regulated by the DHP has a dedicated advisory board, which costs approximately \$4,000 per year. This amount includes four annual meetings for the five advisory members and the associated costs to attend the four annual meetings of the full Board of Medicine. The least expensive biennial renewal fee for an independent profession licensed by the Board of Medicine is \$312. Assuming this fee and 20 naturopaths are licensed, \$6,240 in licensure revenue would be generated each biennium. This revenue would support the cost of maintaining a naturopath advisory board; however it is unlikely the remaining funds would be sufficient to cover the cost of licensure and disciplinary functions.

It should also be highlighted that as additional professions are required to be licensed, the department may have to add an additional licensing and/or enforcement staff to maintain standards of practice. Although it is unlikely that the addition of naturopaths alone will significantly increase regulatory activities; the cumulative effect of regulating additional smaller professions each year will be that other larger professions (within the Board of Medicine in this case) will carry a disproportionate share of overall board costs. With regard to naturopaths, it is expected that the Board of Medicine will have to subsidize a portion of their regulatory cost since, as stated above, their assumed fee structure will not cover the overall regulatory cost of the profession without making fees prohibitive.

9. Specific Agency or Political Subdivisions Affected:

Department of Health Professions

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/27/11

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