

February 2, 2016

The Honorable Mary Pilcher-Cook, Chairperson  
Senate Committee on Public Health and Welfare  
Statehouse, Room 441-E  
Topeka, Kansas 66612

Dear Senator Pilcher-Cook:

**SUBJECT:** Fiscal Note for SB 363 by Senators O'Donnell, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 363 is respectfully submitted to your committee.

SB 363 proposes to license and regulate those individuals who practice acupuncture in Kansas beginning July 1, 2017. The bill would:

1. Establish the acupuncture practice act;
2. Define terms;
3. Establish requirements for obtaining a license from the Board of Healing Arts and for annual renewal of such license;
4. Limit the practice of acupuncture in the State of Kansas to persons licensed in acupuncture, licensed to practice medicine and surgery, licensed as a chiropractor, or licensed as a naturopathic doctor in the State of Kansas;
5. Create the designation of inactive license;
6. Exempt certain providers from the requirement of an acupuncture license;
7. Establishes the maximum fees for application and licensure;
8. Create a five member acupuncture advisory council to assist the Board of Healing Arts in carrying out the provisions of this act;
9. Charge the Board of Healing Arts with drafting and adopting rules and regulations to administer the provisions of this act and prescribe forms which shall be issued in the administration of this act;

10. Establish grounds by which an acupuncture license may be revoked, suspended, limited, censured, or an application for license or reinstatement of a license may be denied by the Board;
11. Give the Board jurisdiction of proceedings to take disciplinary action against any licensee practicing under the act and allow the Board to also seek non-disciplinary resolution;
12. Give the Board the right to access, examine and copy records and documents and issue subpoenas for the purpose of investigations or administrative proceedings under this act;
13. Allow the Board to assess civil fines as penalty prescribed pursuant to this act and establish maximum fines; and
14. Require that professional liability insurance coverage shall be maintained in effect by each licensed acupuncturist.

| Estimated State Fiscal Effect |                |                      |                |                      |
|-------------------------------|----------------|----------------------|----------------|----------------------|
|                               | FY 2016<br>SGF | FY 2016<br>All Funds | FY 2017<br>SGF | FY 2017<br>All Funds |
| Revenue                       | --             | --                   | \$1,260        | \$12,600             |
| Expenditure                   | --             | --                   | --             | \$144,235            |
| FTE Pos.                      | --             | --                   | --             | 2.00                 |

The Board of Healing Arts estimates that 42 new acupuncturists would be licensed under this act. Using a license fee of \$300 each, additional revenues of \$12,600 (42 X \$300) would be collected. Of the total amount, \$11,340 would be deposited in the agency fee fund and \$1,260, or 10.0 percent of the total, would be remitted to the State General Fund.

The Board indicates that the passage of SB 363 would add a new group of practitioners to license which would result in increased complaints, investigations, and caseload activity and would therefore require an increase in FTE positions and operating expenditures. The table below shows the breakdown for the additional cost of \$144,235 and 2.00 FTE positions.

|   |               |
|---|---------------|
| 1.00 FTE Assistant General Counsel                                | 68,500        |
| 1.00 FTE Legal Assistant Positions                                | <u>49,555</u> |
| Subtotal Salaries & Wages   | \$118,055     |
| Office Furniture and Equipment @ \$8,000 per person               | 16,000        |
| Telephone, e-mail, and Internet Lines @ \$160 per month X 2       | 1,920         |
| Publication cost for notice of public hearing for new regulations | 1,260         |
| Cost to create applications, forms and booklets                   | 1,000         |
| FY 2017 travel expense for five-member acupuncture council        | <u>6,000</u>  |
| Total   | \$144,235     |

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Any fiscal effect associated with SB 363 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,  
Director of the Budget

cc: Cathy Brown, Board of Healing Arts