

**SF509 - 1E - Medical Licensing Requirements Modified**

Chief Author: **Alice Mann**  
 Committee: **Health And Human Services**  
 Date Completed: **3/12/2025 2:11:15 PM**  
 Lead Agency: **Medical Practice Board**  
 Other Agencies:  
     Health Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.  
 Reductions shown in the parentheses.

<b>State Cost (Savings)</b>		<b>Biennium</b>		<b>Biennium</b>	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
<b>Health Dept</b>					
General Fund	-	9	9	9	9
<b>Medical Practice Board</b>					
Health Related Boards	-	73	53	33	33
<b>State Total</b>					
General Fund	-	9	9	9	9
Health Related Boards	-	73	53	33	33
<b>Total</b>	<b>-</b>	<b>82</b>	<b>62</b>	<b>42</b>	<b>42</b>
<b>Biennial Total</b>			<b>144</b>		<b>84</b>

<b>Full Time Equivalent Positions (FTE)</b>		<b>Biennium</b>		<b>Biennium</b>	
	FY2025	FY2026	FY2027	FY2028	FY2029
<b>Health Dept</b>					
General Fund	-	.05	.05	.05	.05
<b>Medical Practice Board</b>					
Health Related Boards	-	.5	.5	.5	.5
<b>Total</b>	<b>-</b>	<b>.55</b>	<b>.55</b>	<b>.55</b>	<b>.55</b>

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Steve McDaniel    **Date:** 3/12/2025 2:11:15 PM  
**Phone:** 651-284-6437    **Email:** steve.mcdaniel@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
<b>Health Dept</b>						
General Fund	-	9	9	9	9	9
<b>Medical Practice Board</b>						
Health Related Boards	-	73	53	33	33	33
<b>Total</b>	<b>-</b>	<b>82</b>	<b>62</b>	<b>42</b>	<b>42</b>	<b>42</b>
<b>Biennial Total</b>			<b>144</b>			<b>84</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Health Dept</b>						
General Fund	-	9	9	9	9	9
<b>Medical Practice Board</b>						
Health Related Boards						
Expenditures	-	83	74	65	65	65
Absorbed Costs	-	-	-	(11)	(11)	(11)
<b>Total</b>	<b>-</b>	<b>92</b>	<b>83</b>	<b>63</b>	<b>63</b>	<b>63</b>
<b>Biennial Total</b>			<b>175</b>			<b>126</b>
<b>2 - Revenues, Transfers In*</b>						
<b>Health Dept</b>						
General Fund	-	-	-	-	-	-
<b>Medical Practice Board</b>						
Health Related Boards	-	10	21	21	21	21
<b>Total</b>	<b>-</b>	<b>10</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>Biennial Total</b>			<b>31</b>			<b>42</b>

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 Committee: **Health And Human Services**  
 Date Completed: **3/12/2025 2:11:15 PM**  
 Agency: **Medical Practice Board**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.  
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Health Related Boards		-	73	53	33	33
Total		-	73	53	33	33
Biennial Total				126		66

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Health Related Boards		-	.5	.5	.5	.5
Total		-	.5	.5	.5	.5

## LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Steve McDaniel    **Date:** 3/12/2025 2:09:21 PM  
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### State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
Health Related Boards		-	73	53	33	33
<b>Total</b>		<b>-</b>	<b>73</b>	<b>53</b>	<b>33</b>	<b>33</b>
<b>Biennial Total</b>				<b>126</b>		<b>66</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Health Related Boards						
Expenditures		-	83	74	65	65
Absorbed Costs		-	-	-	(11)	(11)
<b>Total</b>		<b>-</b>	<b>83</b>	<b>74</b>	<b>54</b>	<b>54</b>
<b>Biennial Total</b>				<b>157</b>		<b>108</b>
<b>2 - Revenues, Transfers In*</b>						
Health Related Boards						
		-	10	21	21	21
<b>Total</b>		<b>-</b>	<b>10</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>Biennial Total</b>				<b>31</b>		<b>42</b>

### Bill Description

This bill creates a pathway to licensure for physicians who have not completed a US residency training program and who have practiced medicine outside of the United States for a minimum of 60 months in the previous 12 years.

### Assumptions

There are up to 300 physicians already living in Minnesota who might qualify for this license type.

An unknown number of physicians living in other jurisdictions who are not able to practice medicine in that jurisdiction will relocate to Minnesota to be able to practice medicine under this limited license type.

In order to implement this new license type, the Board of Medical Practice (Board), assumes that it will need to add this new license type to its licensing database. The IT costs associated include a total of 280 hours of contractor development time at \$175/hour, including but not limited to:

- Costs associated with establishing a new “license basis” within the Board’s database (120 hours).
- Costs associated with website modifications to reflect the limited license status for physicians practicing under this license type and to ensure accurate information for the public (40 hours).
- Costs associated with creating the capacity to track details related to the limited license physician holders including, collaborative agreement monitoring and compliance and complaint management (80 hours).
- Costs associated with processing an application from a limited license holder for a full and unrestricted license to practice medicine in Minnesota after successful completion of the 24-month limited license practice period (40 hours).
- Costs for FY28 and FY29 are assumed for ongoing maintenance as well as additional developments as the limited license holders apply for and move to full, unrestricted licensure (5 hours/month). The Board has the ability to absorb the ongoing maintenance costs and doing so will not displace any resources needed for other activities planned by the Board.

The Board assumes the fees for processing and issuing the limited license to practice medicine will offset the costs of administering the limited license and processing the application for a full and unrestricted license after the 24-month limited

license period, and any associated disciplinary proceedings.

The Board assumes it will start accepting and processing limited license applications in January 2026.

The Board assumes it will need a new 0.5 FTE Office and Administrative Specialist, Intermediate, position to support the implementation and ongoing management of processing the limited licenses and in time, the full and unrestricted license for physicians who successfully complete the terms of the 24-month limited license.

Currently, the Board collects sufficient revenue to cover the increased appropriation needed to establish and maintain this new physician license type. The Board assumes revenue will vary annually and increase incrementally to cover the expenditures as noted below.

#### **Expenditure and/or Revenue Formula**

Board of Medical Practice	Description	FY26	FY27	FY28	FY29
Office & Administrative Specialist-I  0.5 FTE		\$53,357.60	\$54,527.60	\$54,527.60	\$54,527.60
IT related costs: ALIMS database and website modification	One-time costs to develop the limited license type and the conversion to a full unrestricted license in the Board's database. Ongoing maintenance will be absorbed by the Board.	\$30,000.00	\$19,000.00	\$10,500.00	\$10,500.00
Total Expenditures		Est. \$83,357.60	Est. \$73,527.60	Est. \$65,027.60	Est. \$65,027.60

Board of Medical Practice	Description	FY26	FY27	FY28	FY29
Initial application and criminal background check fees	50 applicants annually at \$424.00 per application, includes the criminal background check fee. The effective date is January 1, 2026, so FY26 reflects 25 applicants for the 6 months in FY26.	\$10,600.00	\$21,200.00	\$21,200.00	\$21,200.00

#### **Long-Term Fiscal Considerations**

##### **Local Fiscal Impact**

None.

##### **References/Sources**

**Agency Contact:** Elizabeth Huntley (612-548-2168)

**Agency Fiscal Note Coordinator Signature:** Elizabeth Huntley

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**Date:** 3/12/2025 2:02:14 PM

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## SF509 - 1E - Medical Licensing Requirements Modified

Chief Author: **Alice Mann**  
 Committee: **Health And Human Services**  
 Date Completed: **3/12/2025 2:11:15 PM**  
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.  
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	9	9	9	9	9
Total	-	9	9	9	9	9
Biennial Total			18	18		

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	.05	.05	.05	.05	.05
Total	-	.05	.05	.05	.05	.05

## LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Shannon Zila      **Date:** 3/10/2025 12:43:07 PM  
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### State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
General Fund	-	9	9	9	9	9
<b>Total</b>	-	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Biennial Total</b>			<b>18</b>			<b>18</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	9	9	9	9	9
<b>Total</b>	-	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Biennial Total</b>			<b>18</b>			<b>18</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

### Bill Description

This bill authorizes a limited license to practice medicine for foreign medical school graduates and offers an alternative pathway to obtaining a full medical license without the requirement to complete one year of graduate clinical medical training in the United States. A holder of a limited license is required to collaborate with a fully licensed physician.

To be eligible for a limited license, a foreign medical school graduate must meet the current licensing requirements for foreign medical graduates detailed in Minnesota Statutes, section 147.037, except for the year of U.S. graduate clinical medical training; they must have practiced medicine outside the U.S. for at least 60 months in the past 12 years; they must have an offer to practice in a collaborative agreement in a hospital or clinic setting; they must provide service in a designated rural or underserved urban area; and they must submit two letters of recommendation.

The bill provides for certain employee protections for holders of a limited license and a path to a full license following two years of practice for at least 1,692 hours per year, completion of required exams, and submission of a recommendation from a physician who participated in the collaborative agreement.

The bill provides for ongoing oversight by the Minnesota Board of Medical Practice over the limited licensee, which includes six-month certifications of employment and notice of any professional discipline, as well as a 12-month attestation from a collaborating physician regarding the limited license holder's understanding of relevant federal and state laws, documentation standards, medications available in the U.S., American medical standards of care, and other care-related topics.

The bill would be effective January 1, 2026.

### Assumptions

Based on implementing similar efforts, the department assumes that 0.05 FTE of a State Program Administrator Principal will be needed to establish a method for limited license holders to submit a complaint to the department against their employer if they are not being paid an amount equivalent to a medical resident in a comparable field, or if the employer is not carrying medical malpractice insurance to cover them. The department will issue correction orders to employers of limited license holders to ensure compliance with these payment and insurance provisions in the bill. Because these processes need to be ready on January 1, the department needs the first half of fiscal year 2026 to develop the methods. Therefore, we require the same yearly appropriation as the following years.

MDH assumes that the Board of Medical Practice is responsible for implementing all other requirements of the bill.

**Expenditure and/or Revenue Formula**

Program Implementation						
Expenditure (Actual Dollars)	Amount		FY 2026	FY 2027	FY 2028	FY 2029
Full-time Equivalent (FTE) Staff		New or Maintained?	FTE	FTE	FTE	FTE
State Program Administrator Prin	180,697	Maintained	0.05	0.05	0.05	0.05
	FTE		0.05	0.05	0.05	0.05
	Subtotal		9,035	9,035	9,035	9,035
Information Technology:						
	Subtotal		0	0	0	0
Other Operating Costs:						
	Subtotal		0	0	0	0
Total Expenditures	Total		9,035	9,035	9,035	9,035
Fiscal Tracking (Dollars in Thousands)			FY 2026	FY 2027	FY 2028	FY 2029
1000 - General Fund (GF)						
Health Improvement BACT 01			9	9	9	9
Program Implementation			9	9	9	9

**Long-Term Fiscal Considerations****Local Fiscal Impact****References/Sources****Agency Contact:****Agency Fiscal Note Coordinator Signature:** Brendan Wright**Phone:** 651-443-1415**Date:** 3/7/2025 2:21:30 PM**Email:** brendan.wright@state.mn.us