

STATE OF MINNESOTA

DEPARTMENT OF LABOR AND INDUSTRY

In The Matter of the Proposed
Adoption of Amendments to
the Rules of the State
of Minnesota Governing
Annual Registration Fees for
Qualified Rehabilitation
Consultants, QRC Interns, QRC
Firms and Rehabilitation
Vendors

STATEMENT OF NEED
AND
REASONABLENESS

M.S. 176.102, subd. 14 states that "The Commissioner shall impose fees under section 16A.128 sufficient to cover the cost of approving and monitoring qualified rehabilitation consultants, consultant firms, and vendors of rehabilitation services." M.S. 16A.128 requires that fee adjustments be made so the total fees nearly equal the sum of the appropriation for the accounts plus the agency's general support costs, statewide indirect costs, and attorney general costs attributable to the fee function. Registration fees have not been increased since their inception in 1984. As a result, revenues generated for the past several years have been insufficient to cover even basic operating costs. As reflected by the Department of Finance fee review dated September 20, 1988, (incorporated herein) fee increases are essential to maintain even a minimal level of service and meet the statutory mandate. The Department proposes a \$50.00 increase in the registration fee for QRC's and QRC interns, and a \$100.00 increase in the registration fee for QRC firms and rehabilitation vendors.

The QRC registration fee applies to individuals rather than business entities and thus the proposed increase should not have a direct impact on small business in most instances. Further, the hourly fees being charged by QRC's and rehabilitation vendors have increased over the years mitigating any adverse impact that the Department's proposed increase would have. Moreover, the fee proposed by the Department is consistent with that imposed by other bodies similarly charged with responsibility for approving, monitoring, and disciplining a professional group such as the State Board of Medical Examiners (physician license \$115.00) and the Minnesota Supreme Court (full time attorney \$102.00). With the proposed fee increase, the Department should be able to monitor more effectively the conduct of rehabilitation professionals, thereby enhancing the quality of services provided and reducing the costs to the workers' compensation system as a whole.

The QRC firm and vendor registration fee will have an impact on small business, however, the impact will be minimal as the proposed increase does not exceed \$100.00 per firm and administrative procedures are already in place for the submission of a fee. Distinguishing between variably sized QRC firms and/or vendors would not be cost-effective and would possibly inhibit the development of a comprehensive rehabilitation service.

Approved by the Commissioner of Finance

Date 1-17-89


Signature