

BOARD OF MEDICAL PRACTICE
PROPOSED PERMANENT RULES RELATING TO FEES
RULE 5600
STATEMENT OF NEED AND REASONABLENESS

Purpose of Rule Change

Pursuant to Minn. Stat. § 14.23 (1993), the Minnesota Board of Medical Practice ("Board") hereby affirmatively presents the need for and facts establishing the reasonableness of proposed rules and amendments to Minn. Rule Pt. 5600.2500, relating to fees. The proposed rules adjust certain fees for services provided to licensees and registrants to reflect current costs of the Board.

In order to adopt the proposed rules and amendments, the Board must demonstrate that it has complied with all procedural and substantive requirements for rulemaking. These requirements are as follows: 1) there is statutory authority to adopt the rules; 2) the rules are needed; 3) the rules are reasonable; 4) all necessary procedural steps have been taken, and; 5) any additional requirements imposed by law have been satisfied. This Statement of Need and Reasonableness demonstrates that the Board has met these requirements.

Statutory Authority

Minn. Stat. § 147.01, subd. 1 (Creation; Terms) provides that "the setting of Board fees and other provisions relating to Board operations are as provided in chapter 214."

Minn. Stat. § 147.01, subd. 3 (Board Administration) provides that "the Board shall have the authority to adopt rules as may be necessary to carry out the purposes of this chapter."

Minn. Stat. § 147.01, subd. 5 (Expenses; Staff) provides that "the expenses of administering sections 147.01 to 147.29 shall be paid from the appropriations made to the Board of medical practice."

Minn. Stat. § 147.02, subd. 1 (f) (Examination; Licensing) provides that "the applicant shall pay a fee established by the Board by rule. The fee may not be refunded."

Minn. Stat. § 147.03, subd. 1 (d) (Endorsement; Reciprocity) provides that "the applicant shall pay a fee established by the Board by rule. The fee may not be refunded."

Minn. Stat. § 147.03, subd. 2 (Temporary Permit) provides that, in order to be issued a temporary permit "a nonrefundable fee set by the Board [must be] paid."

Minn. Stat. § 147.037, subd. 1 (a) (Foreign Graduates) provides that "the applicant shall satisfy all the requirements established in section 147.02, subdivision 1 (f)" (relating to the payment of a fee).

Minn. Stat. § 147.037, subd. 1 (a) (Foreign Graduates Temporary Permit) provides that, in order to be issued a temporary permit "a nonrefundable fee set by the Board [must be] paid."

Minn. Stat. § 148.705 (Application) provides that "an applicant for registration as a physical therapist shall file a written application on forms provided by the Board together with a fee in the amount set by the board."

Minn. Stat. § 148.71, subd. 2 (Temporary Permit) provides that the Board may issue a temporary permit to practice physical therapy “upon payment of a fee set by the Board.”

Minn. Stat. § 148.71, subd. 3 (Foreign-trained physical therapist temporary permit) provides that the Board may issue a temporary permit to a foreign-trained physical therapist upon payment of “a non-refundable fee set by the Board.”

Minn. Stat. § 148.73 (Renewals) provides that “every registered physical therapist shall, during each January, apply to the Board for an extension of registration and pay a fee in the amount set by the Board.”

Minn. Stat. § 148.74 (Rules) provides that “the Board is authorized to adopt rules as may be necessary to carry out the purposes of sections 148.65 to 148.78.... The Board shall set by rule the amounts of the application fee and the annual registration fee. The fees collected by the Board must be sufficient to cover the costs of administering sections 148.65 to 148.78.”

Minn. Stat. § 214.06, subd. 1 (Fee adjustment) provides that “all health-related licensing Boards ... shall by rule, with the approval of the commissioner of finance, adjust any fee which ... the Board is empowered to assess a sufficient amount so that the total fees collected by each Board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128.... Fees received by the ... health-related licensing Boards must be credited to the health occupations licensing account in the state government special revenue fund.”

Minn. Stat. § 214.06, subd. 2 (License renewal) provides that “notwithstanding any law to the contrary, each health-related licensing Board ... shall promulgate rules providing for the renewal of licenses. The rules shall specify the period of time for which a license is valid, procedures and information required for renewal, and renewal fees to be set pursuant to subdivision 1.”

Minn. Stat. § 214.06, subd. 3 (Health-related licensing boards) provides that “notwithstanding section 14.22, subdivision 1, clause (3), a public hearing is not required to be held when the health-related licensing Boards need to raise fees to cover anticipated expenditures in a biennium. The notice of intention to adopt the rules, as required under section 14.22, must state that no hearing will be held.”

Rule Development Process

The Board began the process of developing the proposed rules by publishing in the December 20, 1993 edition of the State Register notice seeking information or opinions from sources outside the Board in preparing to propose non-controversial amendments. (Appendix A).

The Board developed the proposed amendments on the basis of needs identified by the Board. After compiling a list of suggested changes, the Board surveyed the Minnesota Medical Association (MMA) and other medical related organizations for advice. The Board and its Licensure and Public Policy Committees held public meetings on October 27, 1993, November 13, 1993 and February 23, 1994 to review changes proposed by the MMA and other groups. Based on comments received and input through the committee meetings, the full Board approved changes to the Fee rule on March 12, 1994 and authorized its Executive Director to publish Notice of the Board’s intent to adopt the rules without a hearing. (Appendix B). The Board submitted the proposed rule to the commissioner of finance on May 13, 1993 and received approval for the rule on May 17, 1994, pursuant to the provisions of Minn. Stat. § 16A.1285 (1993). (Appendix C). Pursuant to Minn. Stat. § 14.32, the Board has prepared this Statement of Need and Reasonableness and made it available to the public as of June 13, 1994.

The Board published in the State Register the proposed rules and the Notice of Intent to Adopt Rules Without A Hearing (Notice) on June 13, 1994 (Appendic D). The Board also mailed copies of the Notice to persons registered with the Board pursuant to Minn. Stat. § 14.22, as well as others who the Board believes may have an interest in the rules. The Notice will comply with the requirements of Minn. Stat. § 14.22 and Minn. R. § 2010.0300, item E. The anticipated effective date of the new fee rule is September 1, 1994.

Discussion of Proposed Amendment

A. Statement of Need

The Minnesota Board of Medical Practice has completed a review of the fee structure as contained in Minnesota Rules, Chapter 5600.2500.

The Board had a negative accumulated balance in two of the last four years and has projected a \$169,000 shortfall in fiscal year 1995 under the current fee schedule (See Report of Departmental Earnings, Appendix E). Additional revenue raised from the proposed changes in the fee rule is expected to be approximately \$157,340. Anticipated carryover from FY 1994 will offset the remaining shortfall.

Estimated Costs for FY 1995	\$3,401,000
Anticipated Receipts for FY 1995 (at present fees amounts)	<u>\$3,232,000</u>
Expenditures in Excess of Revenue	\$ 169,000

With expenditures exceeding revenues, the Board will be out of compliance with Minn. Stat. § 214.06 in FY 1995, which requires the Board to adjust or set fees sufficient to collect revenues to cover anticipated expenditures. Thus, it is necessary to adjust and set fees as requested in this document to ensure compliance with Minn. Stat. § 214.06. This statute also requires that approval for any fee adjustment be obtained from the commissioner of finance pursuant to Minnesota Statutes, Chapter 16A.128, subd. 1 (a) (1992). As noted above, the department of finance approved the Board's fee increase on May 17, 1994. The revenues produced by these fee increases are consistent with those proposed by the Board and projected for the 1995-97 legislative session fiscal biennium.

B. Statement of Reasonableness

The restructuring of the Board's fees reflect current costs related to services that provide a primary benefit to individual licensees/registrants. The Board is recommending that examination fees; certification fees; verification fees; physical therapist application, annual registration, temporary permit, and late fees; duplicate license fees; education and training approval fees; report generation fees; and examination administration fees be adjusted to meet the requirements of Minnesota Statutes, Chapter 214.06, subd. 1 (1992) (requiring the Board to charge fees necessary to recoup expenditures). The Board proposes changing the rule as follows:

5600.2500 ~~ANNUAL FEES.~~

The fees charged by the board are fixed at the following rates:

- ~~A. physician examination fee, full exam, \$490;~~
- ~~B. physician examination fee, Part I only, \$290;~~
- ~~C. physician examination fee, Part II only, \$345;~~
- ~~A~~ D. physician application fee, \$200;
- ~~B~~ E. physician annual license, \$168;

~~F. physician certification to other states, \$10;~~
~~G. physician verification to institutions, \$5;~~
~~C H. physician endorsement to other states, \$40;~~
~~D F. physician emeritus license, \$50;~~
~~E J. physician temporary licenses, \$60;~~
~~E K. physician late fee, \$60;~~
~~G B. physical therapist application fee, \$100 \$75;~~
~~M. physical therapist examination fee, \$110;~~
~~H N. physical therapist annual registration, \$60 \$35;~~
~~I O. physical therapist late fee, \$20 \$10;~~
~~P. physical therapist certification to other states, \$10;~~
~~Q. physical therapist verification to institutions, \$5;~~
~~J R. physical therapist temporary permit, \$25 \$10;~~
~~K S. duplicate license or registration fee, \$20 \$10;~~
L. certification letter, \$25;
M. verification of status, \$10;
~~N F. education or training program approval fee, \$100 \$25; and~~
O. report creation and generation, \$60 per hour billed in quarter-hour increments with a quarter-hour minimum; and
~~U. special purpose examination fee, \$345.~~
P. examination administrative fee, half-day \$50, full day \$80.

The fee changes requested by the Board fall into five basic categories: exam-related fees; credentialing fees; education and training fees; report generation fees, and; fees related to physical therapists. In each instance, the fee adjustments are for service-related costs that provide primary benefit to the individual fee payer. The basis for these changes is as follows:

1. Exam-Related Fees: The proposed repeal of 5600.2500, items A, B, C, M, and U, and the creation of item P, Examination Administrative Fee, takes the Board out of the business of collecting fees for national examination services. Currently, the Board's examination fees have two distinct components: 1) a fee for the exam itself which the board passes on to the national examination service, and; 2) a fee to recoup the Board's costs of administering the exams. In the past several years, national examination costs have risen to erode the Board's fees for administering the examination. The price charged by the testing service for the physical therapy exam, for example, has risen so dramatically that the board loses money on the cost of the exam itself.

The repeal of examination fees for physicians and physical therapists and the creation of the examination administrative fee is designed to make the applicant responsible for paying the cost of the exam directly, while allowing the Board to recover administrative costs related to proctoring examinations. The new administrative fee covers costs of exam proctors, transportation of staff and equipment, facility rental, informational mailings and staff time related to these services. Making the applicants responsible for exam costs and charging a separate fee for Board administration will prevent the Board from rewriting the fee rule each time the cost of the exams rise. The proposed rule also creates standard board administrative fees for exams based on use, regardless of the profession using the services.

The amount of the Board's administrative fee (\$80/full day; \$50/half-day) is in line with that charged by other health licensing boards in Minnesota. The Nursing Board, for example, charges \$80 for an examination administration fee.

2. Credentialing Fees: The Board's credentialing services include verification of status, letters of certification and duplicate licenses or registrations. The proposed repeal of 5600.2500, items F, G, P, and Q, and the addition of items L and M, create one fee each for certifications and verifications, regardless of the profession using the service.

Duplication fees (item K) recoup the costs of Board staff time spent verifying status, reproducing the license or registration certificate, and mailing. The duplicate license or registration fee was newly instituted in 1991, but the Board's experience has been that the costs associated with providing this service have not been adequately recovered by the present fees. The Optometry Board charges \$20 for duplicate licenses, so the Medical Board's proposed fee is consistent with that charged by boards of other health professions.

A verification of status fee is charged when an individual or entity requests verification of the current status of multiple licensees or registrants. A certification fee is charged to a licensee who wishes to have his or her status certified in writing to another jurisdiction or entity. The certification process takes longer than verification, as more detailed information is provided about the licensee (e.g., whether the licensee is active, inactive, emeritus or canceled; disciplinary action by the board; current address; and type and date of exam). Certification letters are often requested on short time deadlines to meet licensee needs. The Minnesota Board of Nursing charges \$20 as a credentialing fee, so the Medical Board's proposed fee is consistent with that charged by boards of other health professions.

Certification and verification fees have not be raised in seven years and have not kept up with inflation or administrative costs. The proposed rule creates standard Board fees for certification and verification, regardless of the profession using the services. This will allow the Board to charge fees to recover costs for new groups licensed or registered in the future. These fees are not charged to consumers of health services who call the Board to check on a provider.

3. Physical Therapist Fees: The proposed fee increases for physical therapist application (item G), annual registration (item H), temporary permit (item J), and late fees (item I) more accurately reflect the costs associated with providing those services. The fees are consistent with fees charged in other states. The fees reflect an increase in staff time spent on disciplinary matters, continuing education audits, and approving six month clinical traineeships for foreign-trained physical therapists.

Minn. Stat. § 148.71, subd. 3 (1993) provides that the Board may issue a temporary permit to a foreign-trained physical therapist. The Board expects the number of foreign-trained physical therapists to increase dramatically over the next several years as a result of this new statutory amendment. The increase in foreign-trained applicants has already increased administrative time relating to the verification of physical therapist credentials abroad. In addition, the Board must approve six month traineeships for foreign-trained applicants. These increased costs are reflected in the Board's proposed increases for applications (item G) and temporary permits (item J).

Enforcement of the Continuing Education (CE) requirement commenced in January 1992, resulting in the initiation of CE courses for physical therapists. Administrative time was expended during the start-up phase and is ongoing during the implementation phase. Staff time is required for applicant and CE provider questions, course review and course approval tracking. Course approvals have increased from a few in 1991 to 131 in 1993.

In fiscal year (FY) 1992 the Board had only 2 complaints filed against physical therapists. This number increased to 15 in FY 1993 and the Board projects a continuation of that trend in 1994 and 1995. Increasing numbers of complaints increases numerous Board expenses (e.g., staff time, mailing fees, record requests, copying costs, investigative costs, attorney general services, consultant fees, physical therapist council costs, etc.). To continue its mission of protecting the public, it is reasonable that these Board expenses be met by the regulated community.

Minnesota physical therapist application and renewal fees are among the lowest in the country. Minnesota currently has the 15th lowest application fee of the 53 jurisdictions licensing physical therapists in the United States. Raising the application fee from \$75 to \$100 (item G), would still give Minnesota the 18th lowest application fee of the 53 jurisdictions. Of the 23 jurisdictions currently charging annual renewal fees for physical therapists, Minnesota currently has the 6th lowest fee. Raising the fee from \$35 to \$60 (item H) would place Minnesota in the middle range in terms of renewal fees nation-wide at 16/23. (Source: American Physical Therapy Association, State Licensure Reference Guide (1994)). The \$60 annual renewal fee is also consistent with fees charged to other similar professionals regulated by the Minnesota Board, including: athletic trainers (\$100); and respiratory care practitioners (\$78).

Late fee charges (item I) are related to the procrastination of registrants and the Board's operating budget, rather than to a direct cost the board incurs as a result of late renewals. The current \$10 late fee for physical therapists provides very little incentive for renewals to be received on time. Late fees for physical therapists of \$2520 were collected in 1992, \$2240 in 1993, and it is projected that this trend will continue in 1994 and 1995. These late fees are paid by almost 10% of registered physical therapists in Minnesota. Raising the late fee from \$10 to \$20 is intended to decrease the number of late renewals, thereby smoothing out Board receivables, allowing efficient budgeting, and allowing staff to focus on other services.

4. Education and Training Approval Fee: The education and training approval fees (item N) were newly instituted in 1991, but the Board's experience has been that the costs associated with providing these services has not been adequately recovered by the fees. Education and training approval fees can be classified into two categories: 1) Board approval of Continuing Education (CE) courses; and 2) Board approval of residency programs.

Requests for approval of physician CE courses went from 32 in 1992 to 54 in 1993. 1994 figures have continued at the rate for 1993. Enforcement of the Continuing Education (CE) requirement commenced in January 1992, resulting in additional staff time conducting audits. As noted above, administrative time was expended during the start-up phase and is ongoing during the implementation phase. Course approvals of physical therapist CE have increased from a few in 1991 to 131 in 1993. Staff time is required for applicant and CE provider questions, course review, verification of application information and course approval tracking.

The second type of board education approval involves staff time working with health providers to build programs for individual licensees/registrants needing to meet residency or traineeship requirements. These programs are often licensee/registrant specific (i.e., they are "tailored" to individual needs) and require more contact with the health providers, hospitals, agencies, or programs where the licensee/registrant will complete his or her training. Many of these tailored programs require ongoing review by the staff and the Licensure Committee prior to Board action.

In implementing the 1991 Education and Training Approval Fee, the Board underestimated the costs involved in providing education and training approval, which requires substantial amounts of staff time. Frequent requests have created a substantial shortfall related to the provision of these services. The Minnesota Board of Social Work charges \$100 for education and training approval of similar programs, so the proposed fee is consistent with that charged by other health licensing boards.

5. Report Generation Fee: The report generation fee (item O) is a new fee designed to recoup the cost of providing reports or summary data to the public pursuant to the Minnesota Data Practices Act. Pursuant to the Act, the Board is required to provide summaries of public data if requested. The report generation fee is designed to cover the cost of writing program code to retrieve data in a format as requested and compiling or processing data. This is distinguished from providing raw data or other public data that is already compiled or processed for Board use. The proposed fee is based on wages and fringes, overhead and administrative costs related to the necessary programming. The fee will be charged in quarter-hour increments.

Expenditure of Public Money by Local Public Bodies

Minn. Stat. § 14.11, subd. 1 requires that “if the adoption of a rule by an agency will require the expenditure of public money by local public bodies, the appropriate notice of the agency’s intent to adopt a rule shall be accompanied by a written statement giving the agency’s reasonable estimate of the total cost to all local public bodies.” The Board does not anticipate that the proposed amendments will require the expenditure of public money by local public bodies.

Impact on Agricultural Land

Minn. Stat. § 14.11, subd. 2 requires that “if the agency proposing the adoption of the rule determines that the rule may have a direct and substantial adverse impact on agriculture land in the state, the agency shall comply with the requirements of sections 17.80 to 17.84.” The Board does not anticipate that the proposed amendments will have a direct and substantial adverse impact on agricultural land in the state.

Small Business Considerations

Minn. Stat. § 14.115, subd. 2 requires that when an agency proposes new or amended rules, it must consider “methods for reducing the impact of the rule on small business”, “document how it has considered these methods” and “provide an opportunity for small businesses to participate in the rulemaking process.” The Board does not believe that the requirements of section 14.115 apply to the proposed rules, because that section does not apply to “agency rules that do not affect small business directly.” The Board’s authority relates only to the qualifications of its licensees and registrants to provide services — the Board has no authority over the industry in which they practice. Therefore the rules do not affect small businesses as such, and the Board is exempt from the requirements of section 14.115.

However, should these proposed rules be construed as being subject to Minn. Stat. § 14.115, the Board notes below how the five suggested methods listed in section 14.155, subdivision 2, for reducing the impact of the rules on small businesses should be applied to the proposed amendments. The five suggested methods enumerated in subdivision 2 are as follows:

- a) the establishment of less stringent compliance or reporting requirements for small business;
- b) the establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
- c) the consolidation or simplification for compliance or reporting requirements for small businesses;
- d) the establishment of performance standards for small business to replace design or operational standards required in the rule;

e) the exemption of small businesses from any or all requirements of the rule.

The feasibility of implementing each of the five suggested methods and whether implementing any of the five methods would be consistent with the statutory objectives that are the basis for this rulemaking are considered below.

1. It would not be feasible to incorporate any of the five suggested methods into these proposed rules.

Methods (a) to (c) of subdivision 2 related to lessening compliance or reporting requirements for small businesses either by (a) establishing less stringent requirements (b) establishing less stringent schedules or deadlines for compliance with the requirements, or (c) consolidating or simplifying the requirement. Since the Board is not proposing any compliance or reporting requirements for either small or large businesses, it follows that there are no such requirements for the Board to lessen with respect to businesses. If, however, these proposed rules and amendments are viewed as compliance or reporting requirements for businesses, then the Board finds that it should be unworkable to lessen the requirements for those physicians and physical therapists who practice in the solo or clinic setting of fewer than 50 employees, since that would include the vast majority of licensees and registrants. Method (d) suggests replacing design or operational standards with performance standards for small businesses. The Board's rules do not propose design or operational standards for small businesses as a replacement for design or operation standards that do not exist. Finally, method (e) suggests exempting small businesses from any or all requirements of the rules. The application of this provision would exempt most licensees and registrants from the purview of the rules, a result which would be absurd.

2. Reducing the impact of the proposed rules on small businesses would undermine the objectives of the Minnesota Licensing law for physicians and physical therapists.

Pursuant to Minn. Stat. §§147.01 et seq., the Board was designated as the agency for establishing requirements for licensure and for disciplinary action to govern the practices or behavior of all physicians. Pursuant to Minn. Stat. §147.01, subd. 3., the Board is specifically mandated to promulgate rules as may be necessary to carry out the purposes of the Minn. Stat. §§147.01 to 147.33. The Board is also the agency pursuant to Minn. Stat. §148.65 et seq., for establishing requirements for registration of physical therapists and is authorized under Minn. Stat. §148.74 to promulgate rules to carry out the purpose of §§148.65 to 148.78. Given the statutory mandates, it is the Board's duty to establish licensure and registration qualifications and disciplinary standards which apply to and govern all applicants, licensees and registrants regardless of their practice.

As it has been stated above, it is the Board's position that the proposed rules will not affect small businesses and certainly do not have the potential for imposing a greater impact on physicians and physical therapists in solo or small practice than those practices large enough to remove themselves from the definition of small business. It has also been explained above that the Board considers it infeasible to implement any of the five suggested methods enumerated in subdivision 2 of the small business statute. Nonetheless, to the extent that the proposed rules may affect the business operation of a physician/physical therapist group and to the extent it may be feasible to implement any of the suggested methods for lessening the impact on small businesses, the Board believes it would be unwise and contrary to the purposes to be served by these rules for the board to exempt one group of physicians or physical therapists indeed possibly the vast majority of physicians/physical therapists, from the requirement of these rules. Similarly, the Board believes it would be unwise and contrary to its statutory mandate for the Board to adopt one set of standards for those physicians/physical therapists (which may consist of a non-existent class) who work in a large business setting and adopt another, less stringent set of standards to be applied to those physicians/physical therapists who practice in a solo or small clinic type of setting. It is the

Board's view that these rules must apply equally to all physicians and physical therapists or the licensing system will be chaotic.

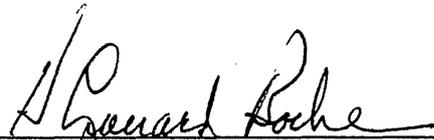
Licenses, or registrants, regardless of whether they are considered as individuals or small businesses, have had and will continue to have an opportunity to participate in the rulemaking process for the proposed rules and amendments. The Board has used a very open process to draft these rules. The Board has kept the various associations well informed of the proposed rules as they were developed and has also provided notices and articles about the proposed rules in its newsletter issued to all licensees and registrants.

Fees

Minn. Stat. § 16A.128, subd. 1a requires that "fees for accounts for which appropriations are made may not be established or adjusted without the approval of the commissioner of finance." Subdivision 2a requires that "before an agency submits notice to the State Register of intent to adopt rules that establish or adjust fees, the agency must send a copy of the notice and the proposed rules to the chairs of the house ways and means committee and senate finance committee." The Board has complied with the provisions of Minn. Stat. § 16A.128, subd. 1a and subd. 2a.

Expert Witnesses

Minnesota rules, part 1400.0500, subpart 1 requires that if rules are adopted with a public hearing, the statement of need and reasonableness must include "a list of any witnesses to be called by the agency to testify on its behalf." Pursuant to Minn. Stat. § 214.06, subd. 3 a public hearing on the proposed amendments is not required.



H. Leonard Boche
Executive Director

June 9, 1994

BOARD OF MEDICAL PRACTICE

**Notice of Solicitation of Outside Information or Opinions
Regarding Minnesota Rules, part 5600.2500 (licensure)**

Notice is hereby given that the Minnesota Board of Medical Practice is seeking information or opinions from sources outside the Board in preparing to propose non-controversial amendments to Minnesota Rules, part 5600, relating to administrative fees charged to licensees and registrants in Minnesota. The amendment of the rule is authorized by Minnesota Statutes, section 147.01 and 148.74 which permits the Board to promulgate rules as are necessary to carry out and make effective the provisions and purposes of chapters 147 and 148.

All interested persons or groups are requested to participate. Statements of information and comment may be made orally or in writing. Written statements should be addressed to:

H. Leonard Boche, Executive Director
Minnesota Board of Medical Practice
2700 University Avenue West, Suite 106
St. Paul, Minnesota 55114

Oral statements will be received during regular business hours over the telephone at (612)642-0538 (Minnesota Relay Operator (612)297-5353 or (800)627-3529) and in person at the above address.

All statements of information and comment will be accepted until further notice is given or the Notice of Hearing or Notice of Intent to Adopt Without a Hearing are published in the State Register. Any written material received by the Minnesota Board of Medical Practice shall become part of the rulemaking record to be submitted to the Attorney General in the event that the rule is adopted.

Dated: 12/8/93



H. Leonard Boche

Executive Director

**CERTIFICATE OF BOARD OF MEDICAL PRACTICE
AUTHORIZING RESOLUTION**

Fee Increase

I, Meredith Hart, do hereby certify that I am a member and the President of the Minnesota Board of Medical Practice, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board, duly and properly called and held on the 13th day of November 1993, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

RESOLVED, that H. Leonard Boche, the Executive Director of the Board of Medical Practice is hereby granted the authority and directed to sign the statement of need and reasonableness and sign and to give the Notice of the Board's Intent to Adopt a rule without public hearing governing an increase in fees, to all persons who have registered their names with the Board for that purpose and publish the Notice and rule in the State register, and to perform any necessary acts to initiate the rulemaking comment period.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 13th day of November, 1993.

STATE OF MINNESOTA
BOARD OF MEDICAL PRACTICE

Meredith Hart
Meredith Hart, President

Arnold M. Kildner
Attesting Board Member

Office Memorandum

Department: of Finance

Date: May 17, 1994

To: H.L. Boche, Executive Director
Minnesota Board of Medical Practice

From: Michelle Harper
Budget Operations

Phone: 296-7838

Subject: Departmental Earnings Rate Change Response - Various Fee Changes

Pursuant to provisions of Laws 1993, sec. 56, subd. 5 (M.S. 16A.1285), the Department of Finance has reviewed and approved the attached departmental earnings proposal submitted by the Board of Medical Practice on 5/13/91. If you have any questions or concerns, please call me at the above number.

cc Bruce Reddemann
Virginia Davis



STATE OF MINNESOTA
BOARD OF MEDICAL PRACTICE

In the Matter of Proposed Rule
Amendments of Rules of the
Minnesota Board of Medical Practice
Relating to Fee Changes

**NOTICE OF INTENT
TO ADOPT A RULE
WITHOUT A
PUBLIC HEARING**

The Minnesota Board of Medical Practice (hereinafter "Board") intends to adopt permanent rules without a public hearing following the procedures set forth in the Administrative Procedure Act, Minnesota Statutes, sections 14.22 to 14.28. You have 30 days to submit written comments on the proposed rules. A hearing is not required and will not be held relative to proposed Board fees needed to cover anticipated expenses in a biennium. Minn. Stat. 214.06, Subd. 3 (Supp. 1993).

Comments or questions on the rule and written requests for a public hearing on the rule must be submitted to:

H. Leonard Boche, Executive Director
Minnesota Board of Medical Practice
2700 University Avenue West, Suite 106
St. Paul, MN 55114
(612) 642-0538
FAX (612) 642-0393

The proposed rule is about fee changes. The statutory authority to adopt this rule is Minnesota Statutes 147.01, 148.74 and 214.06 (1993). A copy of the proposed rule is published in the State Register and attached to this notice as mailed.

You have until 4:30 p.m., on July 15, 1994 to submit written comment in support of or in opposition to the proposed rule and any part or subpart of the rule. Your comment must be in writing and received by the agency contact person by the due date. Comment is encouraged. Your comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

A public hearing is not required and will not be held relative to proposed Board fees needed to cover anticipated expenses in a biennium. Minn. Stat. 214.06, Subd. 3 (Supp. 1993).

The proposed rule may be modified as a result of public comment. The modifications must be supported by data and views submitted to the agency and may not result in a substantial change in the proposed rule as attached and printed in the State Register. If the proposed rule affects you in any way, you are encouraged to participate in the rulemaking process.

A statement of need and reasonableness is now available from the agency contact person identified above. This statement describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule.

It is the position of the Board that it is not subject to Minnesota Statute 14.115 regarding small business considerations in rulemaking. The basis for this position is addressed in the statement of need and reasonableness.

The Minnesota Board of Medical Practice has reviewed the proposed rules, and finds no evidence that the rules would cause the expenditure of public money by any local public body.

The Minnesota Board of Medical Practice has reviewed the proposed rules, and finds that the subject matter of the rules is not related to agriculture land.

After the end of the comment period the agency may adopt the rule. The rule and supporting documents will then be submitted to the attorney general for review as to legality and form to the extent form relates to legality. You may request to be notified of the date the rule is submitted to the attorney general or be notified of the attorney general's decision on the rule. If you wish to be so notified, or wish to receive a copy of the adopted rule, submit your request to the agency contact person listed above.



H. Leonard Boche
Executive Director

June 1, 1994

Office of the Revisor of Statutes

Administrative Rules



TITLE: Proposed Permanent Rules Relating to Fees

AGENCY: Board of Medical Practice

MINNESOTA RULES: Chapter 5600

The attached rules are approved for
publication in the State Register

A handwritten signature in cursive script, appearing to read "Carla Riehle", written over a horizontal line.

Carla M. Riehle
Senior Assistant Revisor

Board of Medical Practice

2

3 Proposed Permanent Rules Relating to Fees

4

5 Rules as Proposed

6 5600.2500 ANNUAL FEES.

7 The fees charged by the board are fixed at the following
8 rates:

- 9 A. ~~physician-examination-fee, full-exam, \$490;~~
- 10 B. ~~physician-examination-fee, Part-I-only, \$290;~~
- 11 C. ~~physician-examination-fee, Part-II-only, \$345;~~
- 12 D. physician application fee, \$200;
- 13 E. B. physician annual license, \$168;
- 14 F. ~~physician-certification-to-other-states, \$10;~~
- 15 G. ~~physician-verification-to-institutions, \$5;~~
- 16 H. C. physician endorsement to other states, \$40;
- 17 I. D. physician emeritus license, \$50;
- 18 J. E. physician temporary licenses, \$60;
- 19 K. F. physician late fee, \$60;
- 20 L. G. physical therapist application fee, \$75 \$100;
- 21 M. ~~physical-therapist-examination-fee, \$110;~~
- 22 N. H. physical therapist annual registration,
23 \$35 \$60;
- 24 O. I. physical therapist late fee, \$10 \$20;
- 25 P. ~~physical-therapist-certification-to-other-states,~~
26 ~~\$10;~~
- 27 Q. ~~physical-therapist-verification-to-institutions,~~
28 ~~\$5;~~
- 29 R. J. physical therapist temporary permit, \$10 \$25;
- 30 S. K. duplicate license or registration fee, \$10 \$20;
- 31 L. certification letter, \$25;
- 32 M. verification of status, \$10;
- 33 T. N. education or training program approval fee,
34 \$25 \$100; and
- U. ~~special-purpose-examination-fee, \$345;~~

O. report creation and generation, \$60 per hour

2 billed in quarter-hour increments with a quarter-hour minimum;

3 and

4 P. examination administrative fee:

5 (1) half day \$50; and

6 (2) full day \$80.



MINNESOTA BOARD OF MEDICAL PRACTICE

2700 University Avenue West, #106 St. Paul, MN 55114-1080 (612) 642-0538

DATE: June 2, 1994

TO: SENATE FINANCE COMMITTEE
HOUSE WAYS AND MEANS COMMITTEE

FROM: H.L. Boche, Executive Director
Minnesota Board of Medical Practice

A handwritten signature in cursive script, appearing to read "H.L. Boche".

PHONE: 642-0538

SUBJECT: Notice of Intent to Adopt Rule & Fee Rule

Minn. Stat. § 16A.128, subd. 1a requires that "fees for accounts for which appropriations are made may not be established or adjusted without the approval of the commissioner of finance." On May 17, 1994, the commissioner of finance reviewed and approved the Board's departmental earnings proposal and proposed fee rule.

Minn. Stat. § 16A.128, Subd. 2a requires that "before an agency submits notice to the State Register of intent to adopt rules that establish or adjust fees, the agency must send a copy of the notice and the proposed rules to the chairs of the house ways and means committee and senate finance committee." The attached documents meet this requirement. Please contact me at the above number if you have any questions.

FI-00399-01

Department of Finance
Departmental Earnings: Reporting/Approval

Part A: Explanation

Earnings Title: BD OF MEDICAL PRACTICE-VARIOUS LICENSING FEES	Statutory Authority:	Date:
Brief Description of Item: The proposed change in fees are consistent with those proposed by the Board and projected for the 1995-97 Legislative session fiscal biennium.		
Earnings Type (check one): 1. <input type="checkbox"/> Service/User 2. <input type="checkbox"/> Business/Industry Regulating 3. <input checked="" type="checkbox"/> Occupational Licensure 4. <input type="checkbox"/> Special Tax/Assessment 5. <input type="checkbox"/> Other (specify):		
Submission Purpose (check one): 1. <input checked="" type="checkbox"/> Chap. 14 Review and Comment 2. <input type="checkbox"/> Approval of Allowable Inflationary Adjustment 3. <input type="checkbox"/> Reporting of Agency Initiated Change in Departmental Earnings Rate 4. <input type="checkbox"/> Other (specify):		
If reporting an agency initiated action (option 3 above), does agency have explicit authority to retain and spend receipts? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, cite pertinent statutes:		
Impact of Proposed Change (change in unit rate, number of payees impacted, etc.): An attached sheet shows a comparison of Board of Medical Practice fees, the number of payers, and the total revenue for fiscal years 1993, 1994, and 1995.		

3-31-94 11:28AM ;

SENT BY:

APPENDIX E

Department of Finance
 Departmental Earnings: Reporting/Approval (Cont.)
 (\$1,000,00=1,000)

Part B: Fiscal Detail

APID: 21512:00:17	AID: 937623			Non-Dedicated			
Item	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994 As Shown in Biennial Budget	F.Y. 1995 As Shown in Biennial Budget	F.Y. 1994 As Currently Proposed	F.Y. 1995 As Currently Proposed
	Revenues:						
Dept Income	2189	2708	2936	3112	3112	3082	3112
HPSP							120
Less Refunds	(3)	(4)	(4)	(3)	(3)	(3)	(3)
TOTAL REVENUE	2186	2704	2932	3109	3109	3079	3229
	Expenditures						
Direct	2043	1793	1918	2045	2045	1963	2045
HPSP							198
Infection Control			45	41	43	41	91
Indirect:	397	756	688	1025	1045	1042	1064
AGO							
Statewide							
Agency Indirect							
TOTAL EXPEDITURES	2440	2549	2651	3111	3133	3046	3398
Current Balance	(254)	155	281	(2)	(24)	33	(169)
Accumulated Balance	(236)	(81)	200	38	14	233	64

VH Davis
5-17-94

PROPOSED 1995 FEE CHANGES
MEDICAL BOARD

FEE CATEGORY	F.Y. 1993			F.Y. 1994			F.Y. 1995		
	FEE	#PAY	REVENUE	FEE	#PAY	REVENUE	FEE	#PAY	REVENUE
PHYSICIANS:									
License by Exam									
Spex	345	28	9,660	345	21	7,245	80	21	1,680
Expenditures			(7,700)			(5,775)			
Overhead Recap			1,960			1,470			
Flex-full exam	490	105	51,450	490	69	33,810	NO FUTURE FLEX EXAM		
Expenditures			(44,100)			(28,980)			
Overhead Recap			7,350			4,830			
Flex-Part One	290	6	1,740	290	2	580			
Expenditures			(1,320)			(440)			
Overhead Recap			420			140			
Flex-Part Two	345	3	1,035	345	5	1,725			
Expenditures			(825)			(1,375)			
Overhead Recap			210			350			
Certification to									
Other States	10	1,514	15,140	10	1,768	17,680	25	1,768	44,200
Verification Status	5	7,356	36,780	5	6,966	34,830	10	6,966	69,660
Duplicate License	10	114	1,140	10	157	1,573	20	157	3,140
PHYSICIAN ASSIST									
Certification to									
Other States	10	13	130	10	12	120	25	12	300
Verification Status	5	6	30	5	10	50	10	10	100
PHYSICAL THERAPISTS									
License by Exam									
Pt Exam	110	125	13,750	110	86	9,460	50	86	4,300
Expenditures			(12,500)			(8,600)			
Overhead Recap			1,250			860			
Annual Registration	35	2,738	95,820	35	2,774	97,103	60	2,774	166,440
Application Fee	75	178	13,365	75	175	13,101	100	175	17,500
Temporary Permit	10	94	940	10	85	850	25	85	2,125
PT Late Fee	10	244	2,440	10	212	2,123	20	212	4,240
Certification to									
Other States	10	147	1,470	10	181	1,810	25	181	4,525
Verification Status	5	4	20	5	7	35	10	7	70
RES PRACTITIONERS									
Certification to	10	2	20	10	0	0	25	0	0
Other States									
EDUCATION/TRAINING									
	25	204	5,100	25	213	5,315	100	213	21,300
			183,585			182,240			339,580

DEPARTMENT OF FINANCE
DEPARTMENTAL EARNINGS: REPORTING/APPROVAL

FISCAL DETAIL
APID: 215120017

AID: 937623

NON-DEDICATED

ITEM	1991	1992	1993	*1994	**1995
100 (PHYSICIAN ANNUAL REG)	1,726,260	2,135,000	2,299,115	2,438,000	2,480,000
110 (PHYSICAL THERAPISTS EXAM FEES)	15,220	15,000	12,870	9,500	860
120 (PHYSICIAN ASSISTANTS ANN REG)	7,320	5,000	5,750	5,260	4,800
130 (PHYSICIAN ASSISTANTS APP FEE)	3,230	3,000	4,600	4,280	3,000
140 (PA SUPV/NO PRESCRIBING)	1,500	1,200	360	340	1,500
150 (CIVIL PENALTIES)	39,310	42,050	21,065	35,800	58,000
160 (MD LATE FEES)	22,000	38,200	60,600	60,600	40,000
170 (PA LATE FEES)	420	100	100	140	140
180 (PT LATE FEES)	600	3,000	2,440	2,120	2,123
200 (PHYSICIAN APPLICATION FEE)	195,450	193,000	199,680	178,720	205,000
230 (EMERITUS REGISTRATION)	1,400	2,000	4,850	3,298	3,000
240 (MISCELLANEOUS)	2,640	5,000	2,990	3,570	4,000
250 (PT TEMPORARY PERMIT)	300	1,000	940	900	850
260 (DEFERMENT FEE)	420	2,000	380	190	4,800
270 (DUPLICATE LICENSE)	0	3,000	1,100	1,600	1,572
280 (EDUCATION/TRAINING PRO)	0	3,000	5,100	4,950	5,315
290 (SPEX SPEC BD)	0	3,200	0	0	0
300 (PHYSICIAN EXAM FEE)	23,320	46,500	70,300	43,360	1,470
310 (SEMINAR WORKSHOP)	0	0	0	0	0
320 (PA SURCHG/PRESCRIBING)	0	3,000	2,750	3,600	3,600
330 (RCP SURCHARGE)	0	0	5,920	15,470	20,000
340 (PA SUPV/PRESCRIBING)	0	5,600	6,470	8,050	9,900
350 (RCP APPLICATION FEE)	0	0	12,240	42,900	1,000
360 (RCP ANNUAL REGISTRATION)	0	0	2,710	1,480	16,000
370 (RCP LATE FEE)	0	0	0	100	3,000
380 (COMP ATHLETIC EVENT)	0	0	100	0	1,300
400 (MD ENDORSEMENT FEE)	37,000	4,000	3,000	3,100	4,000
41 MD CERTIFICATION/OTHER STATES)	1000	16,500	15,300	17,700	17,700
42 PT CERTIFICATION/OTHER STATES)	100	2,000	1,500	1,810	1,800
430 (PA CERTIFICATION/OTHER STATES)	0	100	130	150	150
440 (MD VERIFICATION STATUS)	1000	22,500	36,800	34,850	34,850
450 (PT VERIFICATION STATUS)	0	100	20	40	40
460 (PA VERIFICATION STATUS)	0	50	30	50	50
470 (RCP VERIFICATION STATUS)	0	0	20	20	0
500 (PHYSICIAN TEMP. LICENSE)	25,310	25,400	27,200	26,100	26,660
510 (ATHLETIC TRAINERS APP)	0	0	0	5,900	5,000
600 (MEDICAL CORP ANNUAL REG)	19,500	17,500	17,300	16,422	16,420
610 (MD RESIDENCY PERMIT)	0	0	0	20	20,000
700 (CORPORATION APPLICATION)	2,600	3,000	3,000	1,410	4,000
800 (PHYSICAL THERAPISTS ANN REG)	55,300	94,000	95,900	97,100	97,100
900 (PT APPLICATION FEE)	7,800	13,000	13,370	13,100	13,000
HPSP-OTHER BDS					120,000
TOTAL REVENUES	2,189,000	2,708,000	2,936,000	3,082,000	3,232,000
DIRECT COSTS:	2,043,000	1,793,000	1,918,000	1,963,000	2,045,000
INDIRECT COSTS:					
AGENCY INDIRECT	18,000	20,000	20,000	19,600	19,600
ATTORNEY GENERAL	358,000	707,000	641,000	980,000	1,000,000
STATEWIDE INDIRECT	21,000	30,000	27,000	42,400	44,400
INFECTION CONTROL			45,000	41,000	91,000
REFUNDS	3,000	3,000	4,000	3,000	3,000
HPSP					198,000
TOTAL EXPENDITURES	2,443,000	2,553,000	2,655,000	3,049,000	3,401,000
	(254,000)	155,000	281,000	33,000	(169,000)
ACCUMULATED BALANCE	(236)	(81)	200	233	64

* July through March actual figures
April through June projected

** Projected figures at current fee rate