

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1049 (House Finance Committee Substitute)

SHORT TITLE: Physician Licensure

SPONSOR(S): Rep. Miller

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>
REVENUES					
Board Operating Account	\$732,743	\$747,397	\$762,345	\$777,592	\$793,144
EXPENDITURES					
Board Operating Account		Not yet determined			
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Medical Board					
EFFECTIVE DATE: The bill is effective when it becomes law.					

BILL SUMMARY: The bill amends various laws pertaining to the licensure of physicians. Included in the changes is an amendment to raise the annual registration fee from not more than \$100 to an amount not more than \$125.

ASSUMPTIONS AND METHODOLOGY:

The bill increases the annual registration fee for physicians from \$100 to \$125. There are currently 28,735 physicians licensed in North Carolina. This number includes 19,638 doctors living in the state and 9,097 living outside the state. Staff of the North Carolina Medical Board estimates that the number of physicians licensed in the state increases 2% a year. The chart below shows the projected five-year growth in physicians and the increased revenue from the \$25 fee increase.

	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>
Licenses	28,735	29,310	29,896	30,494	31,104	31,726
Fee Increase		\$732,743	\$747,397	\$762,345	\$777,592	\$793,144

For 1999, the Medical Board’s operating expenditures exceeded operating revenues by \$52,709. The Board’s 1999 budget was balanced with interest income from its cash reserves. As of October 31, 1999, the Medical Board had a total fund balance of \$5,543,290 designated as follows:

Designated for litigation	\$700,000
Designated for capital purchases	\$43,359
Designated for building	\$600,000
Undesignated	<u>\$4,199,931</u>
Total Fund Balance	\$5,543,290

The unrestricted, undesignated fund balance of \$4.2 million equals 84.7% of the Medical Board’s 1999 operating budget. The Board plans to use part of the increased revenue for additional investigators and attorneys.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Richard Bostic

APPROVED BY: James D. Johnson

DATE: July 6, 2000



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