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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**S.B. 6**  
**134<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for S.B. 6's Bill Analysis](#)

**Version:** As Reported by Senate Health

**Primary Sponsors:** Sens. Roegner and S. Huffman

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- In order to participate in the Interstate Medical Licensure Compact, the State Medical Board will experience costs, which will include issuing expedited licenses, investigating any additional complaints against practitioners, promulgating and amending rules, updating information technology, providing required information to the Compact Commission, and possibly paying an annual assessment.
- The bill allows a member state issuing an expedited license to impose a fee for a license issued or renewed through the Compact.
- The bill appropriates \$140,000 in FY 2022 in Dedicated Purpose Fund 5C60 line item 883609, Operating Expenses, used by the State Medical Board.

### **Detailed Analysis**

#### **Interstate Medical Licensure Compact**

The bill enters Ohio as a party to the Interstate Medical Licensure Compact, which will allow certain physicians licensed in other states to practice in Ohio and those licensed in Ohio to practice in other states. Under the bill, a physician seeking such licensure is required to file an application for an expedited license with the medical licensing board of the physician's principal residence. The applicable board is then required to evaluate whether an applicant is eligible for an expedited license under the Compact and issue a letter of qualification to the Interstate Medical Licensure Compact Commission (Interstate Commission) verifying or denying the eligibility. The State Medical Board of Ohio will realize an increase in costs to complete the evaluations and to issue expedited licenses. However, the bill allows a member state issuing an expedited license to impose a fee for a license issued or renewed through the Compact. The amount of fee revenue gained will depend on a number of factors. For instance, it is possible that

some current Ohio licensees may choose to apply for an expedited license. The impact of this on fee revenue will depend on the fee amount established for the expedited license versus the traditional license. It is also possible that individuals not currently licensed in Ohio may apply for an expedited license as a result of the bill.

Additionally, according to rules adopted by the Interstate Commission, the Interstate Commission charges a nonrefundable \$700 service fee that must be paid by the applicant for initial licensure. Of this amount, \$300 is to be remitted to an applicant's state of principal license.<sup>1</sup> Thus, it appears that the Board may receive a portion of this initial service fee for any Ohio practitioners that apply for this expedited license through the Compact.

The Board may also receive additional complaints regarding out-of-state practitioners with an expedited license, which may result in additional costs for investigations and disciplinary action. Additionally, the Board will be required to submit specified information to the Interstate Commission, which will result in some administrative costs. The Board will also experience an increase in administrative costs to promulgate any necessary new rules or amend any existing rules and possibly to update information technology.

The Interstate Commission is permitted to impose annual assessments on member states.<sup>2</sup> Additionally, joining the Compact will require the Board to select two representatives to serve as commissioners to the Interstate Commission. These provisions could also result in costs to the State Medical Board of Ohio.

The bill could also result in other indirect impacts to the state and political subdivisions. Physicians that practice in Ohio with an expedited license could provide additional services to Ohioans and provide increased access. If this occurs, there could be additional reimbursements from state and local programs that reimburse for these services. However, if the utilization of services led to an avoidance of more expensive treatments, there could be a reduction in costs. If an Ohio resident utilizes an out-of-network provider, there could be an additional cost to state or local programs or health plans.

The bill appropriates \$140,000 in fiscal year 2022 in Dedicated Purpose Fund 5C60 line item 883609, Operating Expenses, which is used by the State Medical Board. The bill specifies that not later than one year after the effective date, the State Medical Board must begin accepting and evaluating applications and issuing expedited licenses in accordance with the Interstate Medical Licensure Compact.

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<sup>1</sup> <https://www.imlcc.org/wp-content/uploads/2020/02/IMLCC-Rule-Chapter-3-Administrative-Rule-on-Fees-Amended-May-22-2017.pdf> and <https://www.imlcc.org/what-does-it-cost/>.

<sup>2</sup> Interstate Commission rules address assessments. According to the rules, the budget committee of the Interstate Commission must determine whether anticipated costs exceed its anticipated revenues and whether there are reserve funds available. If the projected revenue shortfall is greater than 50% of the reserve fund at the time the budget is adopted, the Interstate Commission can levy and collect an assessment from each member state. The rule can be accessed here: <https://www.imlcc.org/wp-content/uploads/2021/01/IMLCC-Rule-Chapter-10-Rule-on-Annual-Assessment-11-17-2020.pdf>.