

*Kansas Board of Healing Arts
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**Kansas Administrative Regulations
Economic Impact Statement
For the Kansas Division of the Budget**

K.A.R. 100-11-1

I. Brief description of the proposed rule(s) and regulation(s).

This revision updates the fee regulation for those seeking licenses in medicine and surgery, osteopathy, and podiatry. The fee amounts in this regulation have not been updated since 2010. The updates to the fees, compared to the date of last update, for on time license renewal are, overall, below the rate of inflation. The new timely online renewal fee is \$47 below the rate of inflation, and the new timely paper renewal fee is \$11 above the rate of inflation (in order to incentivize online and on-time renewal). The revisions to the regulation clarify the “additional fee” for late renewals required pursuant to K.S.A. 65-2809(d) by reducing the listed amount of the late fee and clarifying that this late fee is, pursuant to K.S.A. 65-2809(d), a fee that is additional to the underlying fee for license renewal. The updates incentivize online and on-time renewal, as opposed to paper renewal, by creating additional relative cost savings to renewal applicants who renew online and on-time. This is consistent with the agency’s overall efforts to move toward a paperless system.

II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. *(If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)*

Not expressly mandated by the federal government.

III. Agency analysis specifically addressing following:

- A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;**

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The agency is not aware of a basis to conclude that this regulation will meaningfully enhance or restrict business activities or growth.

B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;

Those renewing their license will be directly affected due to the fact that they will pay a different amount for renewal or late renewal, as specifically defined in the regulation. To the extent that these revisions promote online and on-time renewal, the licensees and businesses that employ them will avoid the additional costs, time, and other resources required for paper renewal.

C. Businesses that would be directly affected by the proposed rule and regulation;

Those renewing their licenses and business that employ them.

D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

The updates to the fees for on time license renewal are, overall, below the rate of inflation. The updates also incentivize online and on-time renewal, as opposed to paper renewal, by creating additional relative cost savings to renewal applicants who renew online and on-time. The revisions to the regulation clarify the "additional fee" for late renewals required pursuant to K.S.A. 65-2809(d) by reducing the listed amount of the late fee and clarifying that this late fee is, pursuant to K.S.A. 65-2809(d), a fee that is additional to the underlying fee for license renewal. These revisions are consistent with the agency's overall efforts to move toward a paperless system. To the extent that these revisions promote online renewal, the licensees and businesses that employ them will avoid the additional costs, time, and other resources required for paper renewal. Further, promoting online and on time renewal is more efficient for the agency and is expected to increase the speed and efficiency of the entire renewal process.

E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

The updates to the fees for on time license renewal are, overall, below the rate of inflation. To the extent that these revisions promote online and on-time renewal, the licensees and businesses that employ them will avoid the additional costs, time, and other resources required for paper renewal.

F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

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Annual implementation and compliance costs reasonably expected to be incurred by or passed along to licensees are not expected to be significant because the fee increases are designed to incentivize online and on-time renewal, and it is anticipated most licensees will renew on-line and on-time in order to avoid the fees related to paper and late renewal. The precise effect on licensee behavior, in terms of the extent to which these revisions will promote timely and online renewal, is unknown. The actual total annual cost to licensees is dependent on the extent to which these revisions promote timely and online renewal. The chart below attempts to provide a total dollar figure by assuming paper and late renewals will decrease by a percentage equal to the percentage fee increase. This would equate to 324 fewer late and paper renewals. While not reflected in the chart, the cost for these 324 licensees will be less due to their change in behavior. Reflected in the chart is that the majority of cost to licensees (69%) impacts only the minority of licensees who continue to renew via paper or late, while the \$10 online renewal increase (47% below rate of inflation) is spread out over the much larger number of licensees who renew online and on-time.

Description	Current fee	Proposed fee + late fee	Amt. of Incr. x Licensees = Cost
Annual renewal of active or federally active license:			
Paper	\$330	\$400	\$70.00 x 192 = \$13,440
On-line	\$320	\$330	\$10.00 x 8341 = \$83,410
Paper late	\$350	\$400+\$200	\$250.00 x 17 = \$4,250
Online late	\$339	\$330+\$70	\$161.00 x 1042 = \$167,762
Annual renewal of inactive license			
Paper	\$150	\$150	\$0.00 x 2 = \$0
On-line	\$150	\$150	\$0.00 x 54 = \$0
Paper late	\$175	\$150+\$50	\$25.00 x 2 = \$50
Online late	\$165	\$150+\$25	\$10.00 x 34 = \$340
Annual renewal of exempt license			
Paper	\$150	\$150	\$0.00 x 0 = \$0.00
On-line	\$150	\$150	\$0.00 x 35 = \$0.00
Paper late	\$175	\$150+\$50	\$25.00 x 4 = \$100
Online late	\$165	\$150+\$25	\$10.00 x 14 = \$140
Reinstatement of limited permit	\$30	\$15	[-]\$15.00 x 0 = 0
Estimated total dollar figure			\$269,492

Do the above total implementation and compliance costs exceed \$3.0 million over any two-year period?

YES NO

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

Lay rationale. The agency does not employ an economist.

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Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed \$3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES NO

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.**

The agency does not believe this revision will meaningfully impact the revenue of cities, counties, or school districts.

- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).**

The Board of Healing Arts is comprised of medical practitioners, business owners, and members of the public. Further, the agency is in communication with the relevant professional organizations in Kansas and intends to comply with all public hearing requirements involved in the promulgation process.

- I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).**

This is not an environmental regulation.

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