

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 1340 (Second Edition)

**SHORT TITLE:** Respiratory Care Practice Act

**SPONSOR(S):** Rep. Tolson, et al.

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 1999-00</u></b>	<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>
<b>REVENUES</b>					
Special Fund	\$307,625	\$125,750	\$128,250	\$130,750	\$133,250
<b>EXPENDITURES</b>					
Special Fund	To be determined by Board				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> North Carolina Respiratory Care Board					
<b>EFFECTIVE DATE:</b> This act is effective when it becomes law.					

**BILL SUMMARY:**

This bill establishes the Respiratory Care Practice Act. It creates an eight member NC Respiratory Care Board with powers and duties that include determining qualifications and fitness of applicants for licensure, renewal of licensure, reciprocal licensure, and suspension, revocation, and refusal to renew license. Provides that after Oct. 1, 2000, it is unlawful for person to engage in practice of respiratory care without license. The bill sets the following maximum fees: (1) initial application, \$25; (2) examination or reexamination, \$150; (3) issuance of license, \$100; (4) renewal of license, \$50; (5) late renewal of license, \$50; and (6) license with provisional or temporary endorsement, \$35. Violation of any provision of Article is a Class 1 misdemeanor.

**ASSUMPTIONS AND METHODOLOGY:**

The North Carolina Society for Respiratory Care identified approximately 2,100 respiratory care practitioners in North Carolina in 1995. This number has grown to 2,300 in 1999 based on 1) the state's Community College System graduates approximately 110 respiratory care students each year, and 2) it is estimated that 60 respiratory care professionals retire or leave the profession

each year. This net gain of 50 respiratory care professionals is expected to continue into the near future.

The chart below estimates the number of applications, licenses, license endorsements, and license renewals handled by the new North Carolina Respiratory Care Board each fiscal year.

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>	<u>FY 02-03</u>	<u>FY 03-04</u>
Applications	2,300	110	110	110	110
Initial Licenses	2,300	110	110	110	110
Temporary Endorsements	575				
License Renewal		2,240	2,290	2,340	2,390

This fiscal note assumes that the Board will be appointed during FY 1999-00 and that Board staff will be hired in time to receive applications and issue licenses to 2300 current respiratory care practitioners in the state in FY 1999-00. Approximately 75% of the current professionals have passed an exam given by the National Board for Respiratory Care (NBRC) and will be issued a license. The remaining 25% of existing professionals will receive a license with a temporary endorsement until they complete the NBRC exam. Since the NBRC exam is given in March, July and November, it is assumed that this group will take the exam in July 2000 to meet the October 2000 deadline. Future year license renewal assumes an attrition rate of 60 professionals each year and increase of 110 new applicants from the Community Colleges.

The next chart shows the anticipated revenue from the proposed fees. Respiratory care practitioners will pay a \$25 application fee and a \$100 license fee in their first year in the program. The annual license renewal fee is \$50. A respiratory care practitioner that has not passed the NBRC exam must pay \$25 application fee, a \$100 license fee, and a \$35 temporary endorsement fee. The fee for the NBRC exam is \$150 and goes directly to the national board and is not kept by the state board. This exam is already given to all those graduating from Community College respiratory care programs.

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>	<u>FY 02-03</u>	<u>FY 03-04</u>
Applications (\$25)	\$57,500	\$2,750	\$2,750	\$2,750	\$2,750
Initial Licenses (\$100)	\$230,000	\$11,000	\$11,000	\$11,000	\$11,000
Temporary Endorsement (\$35)	\$20,125				
License Renewal (\$50)		\$112,000	\$114,500	\$117,000	\$119,500
Total Fee Revenue	\$307,625	\$125,750	\$128,250	\$130,750	\$133,250

**TECHNICAL CONSIDERATIONS:**

GS 90-660(b) (2) does not identify the \$150 exam fee as the cost of the exam given by the National Board for Respiratory Care (NBRC).

**FISCAL RESEARCH DIVISION 733-4910**  
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