

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 1049 (2nd Edition)

**SHORT TITLE:** Licensed Psychological Associates/Insurance Payments

**SPONSOR(S):** Rep. Holliman

**FISCAL IMPACT**

<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b>	<b><u>FY 2007-08</u></b>

**REVENUES**

**Psychological Board**

**\* Less than \$100 revenue increase annually \***

**PRINCIPAL DEPARTMENT(S) &**

**PROGRAM(S) AFFECTED:** NC Psychological Board.

**EFFECTIVE DATE:** January 1, 2004 and applies to services rendered by psychological associates on and after that date.

**BILL SUMMARY:** The bill makes three changes to the law governing the practice of psychology. First, it allows licensed psychological associates to receive fees directly from insurers. Second, it authorizes the Psychological Practice Board to require applicants for licensure to pay their national exam fee directly to the vendor. Finally, it increases the fee for a temporary license from \$25 to \$35.

**ASSUMPTIONS AND METHODOLOGY:** According to the Psychological Practice Board, there are currently 1,291 Licensed Psychological Associates in North Carolina. Often these practitioners must be directly under the employment and supervision of a licensed psychiatrist or certified doctor of psychology to receive third party payments. All these individuals would now be able to receive payment from third party payers, including the State Health Plan. The impact this change will have on the State Health Plan is outlined in the associated actuarial note.

The second change in the bill relates to the fees assessed for the national exam. According to the Board, the actual cost of the examination is not anticipated to change. Currently, applicants pay "the cost of the examination to the Board" directly to the Board, and then the Board remits this amount to the national examination service. The proposed legislation would permit the Board to have the applicants pay the cost of the examination directly to the examination vendor. The current cost of each examination is \$450, and approximately 110 applicants are sitting for the examination during a fiscal year.

The final change relates to the fee for a temporary license. The Board estimates that five (5) persons or less will be affected each fiscal year by the increase in the temporary license fee. If the maximum of five is reached, the Board would see a revenue increase from this portion of the bill of \$50.

**SOURCES OF DATA:** NC Psychological Practice Board

**FISCAL RESEARCH DIVISION:** (919) 733-4910

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**DATE:** June 24, 2003



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