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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 323
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 323's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Rep. D. Manning

Local Impact Statement Procedure Required: No

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Highlights

- The State Board of Psychology will experience a cost to adopt rules to provide a certificate to prescribe for psychologists, implement such a program, and regulate certificate holders. Some of these costs will be one-time costs, such as costs associated with updating the eLicensing system to include these new certificates, and some will be ongoing such as regulation costs.
- The Board will realize a gain in fee revenue for those seeking certificates to prescribe and those renewing certificates. The amount will depend on the number of psychologists seeking this certificate.
- The Medicaid Program could realize an impact due to the bill. Certified psychologists could prescribe certain drugs and therapeutic devices and order necessary tests, which could result in additional costs. However, allowing psychologists to prescribe could also improve behavioral healthcare access and lead to better healthcare outcomes for recipients, which could reduce costs and/or divert recipients from more expensive treatment options.
- The State Board of Pharmacy expects: (1) one-time expenses of up to \$4,000 to make necessary changes to the Ohio Automated Rx Reporting System (OARRS) and (2) minimal at most ongoing administrative expenses to accommodate additional OARRS users.

Detailed Analysis

Certificate to prescribe

H.B. 323 creates a certificate to prescribe for a psychologist licensed by the State Board of Psychology that is valid for two years. With this certificate, a psychologist will be able to: prescribe certain drugs and devices, order laboratory tests and procedures necessary to safely prescribe or furnish the drugs and therapeutic devices, and issue medication administration orders to nurses. The bill requires the Board to adopt rules to administer and enforce the provisions concerning this prescriptive authority. It also outlines the eligibility requirements, collaborative arrangements, and certain prohibitions concerning prescriptive authority. The bill requires psychologists applying for the certificate to pay a \$50 application fee; however, the bill requires the Board to adopt a renewal fee in rules.

The Board will experience one-time costs to promulgate rules and implement the certificate program. The Board will also need to modify the eLicensing system to add an application and endorsement or additional license type. The cost estimate the Board received to complete this work is between \$28,000 and \$34,000. This would be a one-time cost. The costs associated with processing initial certificates, as well as the revenue generated, will depend on the number of certificate applications the Board receives. Again, the bill sets the application fee at \$50. In addition, there will likely be a gain in revenue each biennium and a corresponding increase in administrative costs to process certificate renewals and to regulate certificate holders. The total amount will depend on the renewal fee amount set and the number of certificate renewal applications the Board receives.

The bill requires that any psychologist who receives a certificate to prescribe must have a collaborative agreement with a physician. Public hospitals and regional psychiatric hospitals may experience a minimal savings if psychologists with certificates to prescribe are able to reduce workloads on others who would otherwise prescribe medication. However, there could be costs associated with employees serving as collaborating qualified prescribers.

The bill could impact Medicaid costs for patients receiving behavioral health services. Typically, psychiatrists are reimbursed at a higher rate than psychologists. If psychologists could prescribe certain medications instead of psychiatrists, it is possible that Medicaid costs could decrease. However, it is also possible that prescribing psychologists could increase their rates to reflect the increased education and certification they have obtained, which would impact the amount of any such decrease. In addition, there is also potential for there to be an increase in the number of medications and therapeutic devices prescribed, as well as the number of necessary tests ordered. This could increase Medicaid costs. However, there could be an associated decrease in Medicaid costs if this provision expands behavioral health access and leads to better health outcomes for recipients. The total impact on Medicaid will largely depend on the number of psychologists that choose to obtain certification. States that allow psychologists to prescribe have a relatively low proportion of psychologists that have obtained certification. In New Mexico, which has permitted psychologists to obtain prescribing privileges since 2002, only 6.4% of psychologists had prescriptive authority as of the end of 2018. In Louisiana, 11.4% of psychologists have prescriptive authority. At the end of June 2019, the Ohio Board of Psychology licensed 3,430 psychologists and 204 school psychologists.

Investigations and discipline

The bill adds several additional grounds for which the Board can pursue disciplinary action against a psychologist, primarily in relation to the prescriptive authority. The expanded scope of practice, coupled with these additional grounds for disciplinary action, may increase the number of complaints and subsequent disciplinary hearings; however, any increase is expected to be minimal.

Committee on Psychopharmacology

The bill establishes the Committee on Psychopharmacology to develop for the Psychology Board a recommended exclusionary drug formulary. The Committee must submit to the Board at least twice a year a recommended formulary for the Board's approval. There will be eight members on this Committee, and they are to serve without compensation, but must be reimbursed for their actual and necessary expenses incurred in the performance of official Committee duties. This may result in a minimal increase in expenditures by the Psychology Board.

State Board of Pharmacy

The bill requires a psychologist holding a certificate to prescribe to review patient information in the Ohio Automated Rx Reporting System (OARRS), administered by the State Board of Pharmacy, when prescribing a benzodiazepine or other controlled substance. The Board estimates an initial cost of \$4,000 to make necessary technological upgrades to OARRS to allow psychologists to use the system as required. Any ongoing administrative expenses to accommodate additional OARRS users will be minimal and absorbed using existing staff and resources.