



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3487 Introduced on January 10, 2023
Author: Jefferson
Subject: Midwives
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Griffith
Impact Date: February 2, 2023

Fiscal Impact Summary

This bill transfers regulatory authority of the practice of midwifery from the Midwifery Advisory Council (MAC) of the Department of Health and Environmental Control (DHEC) to the State Board of Medical Examiners (BME), which is under the authority of the Department of Labor, Licensing and Regulation (LLR). The bill will have no expenditure impact on DHEC, as the agency is able to accomplish any temporary increase in responsibilities for the transfer with existing staff, equipment, and supplies. Additionally, DHEC does not anticipate a cost savings once the MAC transitions to the BME since staff will be assigned other duties.

The total expenditure impact on LLR is undetermined because the agency is unable to estimate the costs of administering a written and practical midwife exam. However, the bill will increase Other Funds expenditures of LLR by at least \$159,800 in the first year of implementation and by at least \$146,800 each year thereafter for 2.0 FTEs, board meeting expenses, a vehicle, and office supplies.

The revenue from all fees established in this bill must be directed to BME to be used for the implementation of the South Carolina Midwife Practice Act. The Other Funds revenue impact of the bill is undetermined, but LLR anticipates that the fee for midwife licenses will be higher than the fee currently imposed by the MAC in order to implement the requirements of the bill. For reference, DHEC's website states that the agency currently licenses forty-five midwives and fourteen midwife apprentices.

The BME falls under the Division of Professional and Occupational Licensing. Proviso 81.3 of the FY 2022-23 Appropriations Act requires LLR to remit 10 percent of the board's expenditures to the General Fund annually unless the board has an overall negative ending cash balance. Since the total amount of BME's expenditures is unknown, the total revenue impact on the General Fund is undetermined. However, General Fund revenue will increase by at least \$16,000 in the first year of the bill's implementation and by at least \$14,700 each year thereafter.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill transfers regulatory authority of the practice of midwifery from the Midwifery Advisory Council of DHEC to the State Board of Medical Examiners (BME), which is under the authority of LLR. The Board shall establish a committee to approve educational programs, testing, and a peer review process. The first committee will be made up of the Midwifery Advisory Council and will serve until their terms expire.

The responsibilities of BME, in relation to regulating midwives, are:

- providing a process for midwifery licensure, including determining educational standards;
- establishing application, licensure, renewal, and inspection fees;
- investigating complaints and undertaking disciplinary proceedings and action; and
- promulgating regulations necessary to administer the legislation.

Department of Health and Environmental Control. This bill may temporarily increase responsibilities of DHEC as the agency transfers regulatory authority to LLR. However, DHEC is able to accomplish these responsibilities by assigning duties among existing staff and by using existing equipment and supplies. In addition, staff who currently perform work for the MAC will be assigned other duties. Therefore, the bill will have no expenditure impact on the agency.

Department of Labor, Licensing and Regulation. LLR anticipates the need for 2.0 FTEs (an administrative assistant and an inspector) to implement the provisions of the bill. Currently, the BME does not require any professional board member to practice in Obstetrics and Gynecology. However, the agency believes the inspector will need either a specialized background in nursing or to be a certified nurse-midwife or nurse administrator/manager. Including salary and fringe benefits, the bill will increase recurring Other Funds expenditures of LLR by approximately \$132,000 for these new FTEs.

Further, the agency expects increased operating expenses of \$27,800 for board meetings, a vehicle, office supplies, and miscellaneous services. This includes \$14,800 in recurring expenses and \$13,000 in one-time costs. These estimates are based on the following assumptions:

- two recurring regular meetings of the midwife committee per year,
- two special meetings of the midwife committee in the first year, and
- two specially-called BME meetings in the first year.

The BME will also be required to administer, at least twice a year, a written and practical exam. LLR and the BME are unable to estimate the costs associated with administering the exam because they are unsure whether specific equipment, facilities, and/or personnel would be required.

Thus, the total expenditure impact on LLR is undetermined. However, the bill will increase Other Funds expenditures of LLR by at least \$159,800 in the first year of implementation and by at least \$146,800 each year thereafter.

State Revenue

The revenue from all fees established in this bill must be directed to BME to be used for the implementation of the South Carolina Midwife Practice Act. Currently, DHEC charges a \$150 biennial fee for midwife licensure and uses the revenue from those fees to cover any expenses of the MAC. However, the BME has the authority to establish its own amounts for application, licensure, renewal, and inspection fees. The revenue from those fees is undetermined but will be used for the implementation of the South Carolina Midwife Practice Act. LLR indicates that based on the volume of responsibilities required by the bill, the fee will be higher than the fee currently imposed by the MAC. For reference, DHEC's website states that the agency currently licenses forty-five midwives and fourteen midwife apprentices.

The BME falls under the Division of Professional and Occupational Licensing. Proviso 81.3 of the FY 2022-23 Appropriations Act requires LLR to remit 10 percent of the board's expenditures to the General Fund annually unless the board has an overall negative ending cash balance. Since the total amount of BME's expenditures is unknown, the total revenue impact on the General Fund is undetermined. However, General Fund revenue will increase by at least \$16,000 in the first year of the bill's implementation and by at least \$14,700 each year thereafter.

Local Expenditure

N/A

Local Revenue

N/A



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