



# MEMORANDUM

<b>DATE</b>	November 8, 2024
<b>TO</b>	Physician Assistant Board (Board)
<b>FROM</b>	Kristy Schieldge, Regulations Counsel, Attorney IV Jasmine Dhillon, Legislative and Regulatory Specialist
<b>SUBJECT</b>	<b>16. Discussion and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Section 1399.550 Regarding the Initial License Fee</b>

## Background

The Board has maintained its current fee structure for several years. During this period, operational costs have steadily increased due to inflation, rising administrative expenses, and enhanced regulatory responsibilities. Despite prudent fiscal management, the Board faces challenges in meeting its financial obligations and maintaining service levels with the current fee structure.

The requested fee increase is critical for the Board to cover operational costs, including processing applications, maintaining licensing systems, and ensuring compliance with regulatory standards.

Additionally, adjusting this fee aligns with inflation rates and ensures that the Board can continue to operate effectively without compromising service quality.

Staff is requesting a proposed initial license fee adjustment from \$200.00 to \$250.00, which will have a minimal financial impact on applicants and licensees while significantly enhancing the Board’s ability to serve them. The State of California State Administrative Manual (SAM), section 9210, provides that it is state policy for departments to recover full costs whenever goods or services are provided to others. Section 9210 of the SAM specifies that full costs include “all costs attributable directly to the activity plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided.” The additional revenue will be utilized to recover actual costs for providing licensing services thereby helping to ensure the stability of the Board’s fund condition and continued Board operations. As operational costs have steadily increased due to inflation and expanded regulatory responsibilities, these adjustments will ensure that service delivery to applicants and licensees can be maintained.

Attachment 2 shows that the Board is currently not recovering all costs attributable to initial licensure and that a fee increase is therefore necessary to help address lost revenue in the short term. Attachment 2 does indicate that further legislative authority will be needed to increase the Board’s current fee “caps” in Business and Professions Code section 3521.1 to allow for further increases in fees in the future to address the current structural imbalance in the long term.

The proposed increase in the fee is essential for the Board to improve the Board's current financial health and continue providing high-quality services to physician assistants in California.

**Action Requested**

Please review the attachments including the attached Proposed Regulatory Language and the Workload Costs associated with the proposed initial license fee increase, and the rationales set forth above. Staff recommends the Board consider the following motion to initiate the rulemaking process and adopt the proposed text if no adverse comments are received and no hearing is requested:

Approve the proposed regulatory text amending Title 16, California Code of Regulations, section 1399.550 as set forth in Attachment 1. The Board further directs staff to submit the text to the Director of the Department of Consumer Affairs and the Business, Consumer Services and Housing Agency for review and if no adverse comments are received, authorize the Executive Officer to take all steps necessary to initiate the rulemaking process, make any non-substantive changes to the package and set the matter for a hearing if requested. If no adverse comments are received during the 45-day public comment period and no hearing is requested, authorize the Executive Officer to take all steps necessary to complete the rulemaking and adopt the proposed regulations at Section 1399.550 as noticed.

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Attachment: 1. Proposed Regulatory Language to Amend 16 CCR section 1399.550  
2. "Physician Assistant Board -- Physician Assistant Initial License - Business and Professions Code 3521 (b) Initial License - (Workload Costs)"

*MISSION: To protect and serve consumers through licensing, education, and objective enforcement of the Physician Assistant laws and regulations.*

# **Attachment 1**

DEPARTMENT OF CONSUMER AFFAIRS  
**TITLE 16. PHYSICIAN ASSISTANT BOARD**

**PROPOSED REGULATORY LANGUAGE**  
**Initial License Fee**

<b>Legend:</b>	Added text is indicated with an <u>underline</u> . Omitted text is indicated by (* * * *) Deleted text is indicated by <del>strikeout</del> .
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**Amend section 1399.550 of Article 5 of Division 13.8 of Title 16 of the California Code of Regulations to read as follows:**

**§ 1399.550. Physician Assistant Fees.**

The following fees for physician assistants are established:

- (a) The application fee shall be \$25.00.
- (b) The fee for an initial license shall be ~~\$200.00~~\$250.00.
- (c) The fee for renewal of a license shall be \$300.00.

NOTE: Authority cited: Section 3510, Business and Professions Code. Reference: Sections ~~3513, 3521 and 3521.1~~, Business and Professions Code.

# **Attachment 2**

**Physician Assistants Board**  
**Physician Assistant Initial License - Business and Professions Code 3521 (b)**  
**Initial License - (Workload Costs)**

Workload Tasks	Per Application	Minutes Per Application	AGPA
Application received, processed & distributed	1	15	15
Initial review of application & identify deficiencies	1	30	30
Daily Report Run/Track	1	5	5
Deficiency letters sent, if applicable	1	15	15
Submit & verify fingerprints with DOJ	1	10	10
Enforcement-Security Review	1	30	30
Communication - email, phone, etc.	1	10	10
Final Review	1	10	10
Mailing receipts upon request	1	5	5
Prepare & issue license	1	5	5
<b>Minutes per Classification</b>			<b>135</b>
<b>Hours by Classification</b>			<b>2.3</b>
<b>Costs by Classification</b>			<b>\$279</b>
<b>Enforcement-Related Allocation</b>			<b>\$115</b>
<b>Total Costs:</b>			<b>\$394</b>

AGPA - Associate Governmental Program Analyst (\$124/hr - includes DCA Distributed Admin)