

TITLE 16. PHYSICIAN ASSISTANT BOARD

NOTICE OF PROPOSED REGULATORY ACTION CONCERNING INITIAL LICENSE FEE

(Notice published March 21, 2025)

NOTICE IS HEREBY GIVEN that the Physician Assistant Board (Board) proposes to take the action described in the Informative Digest below after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Board has not scheduled a public hearing on this proposed action. However, the Board will hold a hearing if it receives a written request, addressed to the individuals listed under “Contact Person” in this notice, for a public hearing from any interested person, or their authorized representative, no later than 15 days prior to the close of the written comment period.

WRITTEN COMMENT PERIOD

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action to the Board. Comments may also be submitted by mail, facsimile (FAX), or e-mail to the addresses listed under “Contact Persons” in this Notice. **The written comment period closes on Monday, May 5, 2025.** The Board will consider only comments received at the Board’s office by that time, or comments received at the hearing if the Board holds a hearing.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by section 3510 of the Business and Professions Code (BPC), and to implement, interpret, or make specific BPC section 3521.1, the Board is considering amending section 1399.550 of title 16 of the California Code of Regulations (CCR).

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Physician Assistant Board (Board) licenses, regulates, and investigates complaints against physician assistants in California, totaling approximately 18,000 licensees. The Board is a state agency vested with the authority to regulate the practice of physician assistants (Business and Professions Code sections 3504 and 3509). It is the Board’s duty to enforce and administer the Physician Assistant Practice Act (Chapter 7.7 (commencing with section 3500 of Division 2 of the Business and Professions Code (BPC)) (Act). The Board is authorized to establish necessary rules and regulations to enable it to carry into effect the provisions of the Act. (BPC § 3510.) Business and Professions Code (BPC) section 3521.1 authorizes the Board to set fees to be paid by physician assistants (PAs) including the application fee, initial license fee, and the biennial license renewal fee.

The Board’s funding source is classified as special funds, and as such the Board’s

revenues and expenditures are generated from regulating the profession of physician assistants. 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.

Existing law authorizes the Board to set the initial license fee “not to exceed two hundred and fifty dollars (\$250)”, which shall be charged to each physician assistant to whom a license is issued. Existing regulation at CCR 1399.550 sets the current initial license fee at two hundred dollars (\$200). This proposal would increase the fee to two hundred and fifty dollars (\$250), which is the statutory maximum allowed to be charged by BPC section 3521.1.

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.

The Board is proposing an 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.

An assessment of the workload associated with issuing an initial license indicates 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. The proposed increase in the initial license 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.

Anticipated Benefits of the Proposed Regulation:

The Board has determined that this regulatory proposal will have the following benefits to the health and welfare of California residents:

These changes would raise the initial license fee to the statutory maximum. California residents would benefit from the proposed regulation because the fee increase will enable the Board to carry out its statutory mandate of public protection by licensing, regulating, and disciplining PAs. Raising fees would help address a structural imbalance in the Board’s budget, ensure the Board’s regulated public is aware of the fees, and attempt to create a consistency between the Board’s expenditures to regulate licensees

and protect the public and the fees assessed for carrying out those functions. The Board's highest priority is consumer protection, and the proposed revisions will allow the Board to continue its important consumer-focused functions in the short term while the Board seeks legislative authority to increase statutory maximums for the fees it collects in the long term.

This regulatory proposal does not affect worker safety or the state's environment.

Evaluation of Consistency and Compatibility with Existing State Regulations:

During the process of developing this regulatory proposal, the Board has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: The proposed regulations increase initial license fees from \$200 to \$250. The Board projects approximately 2,060 individuals apply for initial licensure per year, which would result in increased revenues of approximately \$103,000 per year and up to \$1.03 million over a ten-year period.

Since the Board already performs the workload associated with these programs and fees, the Board does not anticipate any additional workload or costs to implement the proposed regulations.

The Board estimates one-time information technology (IT) costs of \$1,000 to update cashiering and accounting software. Any IT costs will be absorbed within existing resources.

The proposed regulations do not result in costs or savings in federal funding to the state.

Nondiscretionary costs or savings imposed on local agencies: None.

Cost to any local agency or school district for which Government Code sections 17500 through 17630 require reimbursement: None.

Mandate imposed on local agencies or school districts: None.

Significant effect on housing costs: None.

Cost or savings in federal funding to the state: None.

BUSINESS IMPACT ESTIMATES:

This regulation may have an economic impact on businesses, specifically, the Board's applicants. This determination is based upon the following facts. The regulation would

increase fees charged to PA license applicants. However, the proposed regulations will not have a significant statewide adverse economic impact on businesses, including the ability to compete with other businesses in California, because the fee increases are considered to be minor compared to the income of most applicants and licensees in this profession. This proposal represents an increase of \$50 for the PA initial license fee.

Cost impacts on a representative private person or business: The regulation would increase fees charged to PA license applicants. To the extent these individuals apply for issuance of an initial license, the proposed regulations will impact them. This proposal represents a \$50 increase from the existing fee for PA applicants for issuance of the initial license to practice as a physician assistant. The regulations are estimated to result in additional costs of approximately \$103,000 per year and up to \$1.03 million over a ten-year period. Please see the Initial Statement of Reasons for further information.

RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The Board has determined that this regulatory proposal will not have a significant impact on any of the following:

- 1) the creation or elimination of jobs within the state,
- 2) the creation of new businesses or the elimination of existing businesses within the state, or,
- 3) the expansion of businesses currently doing business within the state.

This proposal would not have any of the above-referenced impacts because these costs are considered minor compared to the income of most applicants and licensees in this profession and for the businesses who may hire PAs. As described above, this proposal represents a \$50 increase for the PA initial license fee.

The regulations are estimated to result in additional costs of approximately \$103,000 per year and up to \$1.3 million over a ten-year period.

The proposed regulations affect individuals and some businesses who hire PAs financially, but the effects will be minimal and absorbable. The affected individuals are applicants for PA licenses. The number of applications for PA licensure have been relatively stable for years. The Board does not anticipate that the number of applications or licenses will change significantly as a result of these proposed regulations. Even though a minimal financial impact will occur, it is anticipated that these regulations will not affect the creation of jobs, nor eliminate jobs within the State of California, because the cost increases for licensure would be minor and absorbable relative to the average income of this profession.

Benefits of Regulation

The Board also concludes that this proposal will have the following effects:

- It will benefit the health and welfare of California residents because the proposal would raise the initial license fee to the statutory maximum. California residents would benefit from the proposed regulation because the fee increase will enable the

Board to carry out its statutory mandate of public protection by licensing, regulating, and disciplining PAs. Raising fees would help address a structural imbalance in the Board's budget, ensure the Board's regulated public is aware of the fees, and attempt to create a consistency between the Board's expenditures to regulate licensees and protect the public and the fees assessed for carrying out those functions. The Board's highest priority is consumer protection, and the proposed revisions will allow the Board to continue its important consumer-focused functions in the short term while the Board seeks legislative authority to increase statutory maximums for the fees it collects in the long term.

- This regulatory proposal does not affect worker safety or the State's environment because the proposed regulations do not involve workers' safety or the State's environment. This regulatory proposal focuses on an increase in fees to help to reduce the Board's current structural imbalance.

Business Reporting Requirements

The regulatory action does not require businesses to file a report with the Board.

Effect on Small Business:

While the Board does not have nor does it maintain data to define if any of its licensees are a "small business" as defined in Government Code section 11342.610, the Board has made an initial determination that any adverse economic impact will not be significant for small businesses, because the increased expense to any business, small or otherwise, is not more than \$50 per year.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed; would be as effective and less burdensome to affected private persons than the proposal described in this Notice; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may submit comments to the Board in writing relevant to the above determinations at Physician Assistant Board, 2005 Evergreen Street, Suite 2250, Sacramento, CA 95815-3893 during the written comment period, or at the hearing if one is scheduled or requested.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS AND RULEMAKING FILE

The Board has compiled a record for this regulatory action, which includes the Initial Statement of Reasons (ISOR), proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the contact persons named in this notice. The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at Physician Assistant Board, 2005

Evergreen Street, Suite 2250, Sacramento, CA 95815-3893. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, the initial statement of reasons, and other information upon which the rulemaking is based.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments, the Board, upon its own motion or at the request of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal, with the modifications clearly indicated, will be available for review and written comment for 15 days prior to its adoption from the persons designated in this Notice as the Contact Persons and will be mailed to those persons who submit written comments or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the persons named below.

You may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the Contact Persons named below or by accessing the website listed below.

CONTACT PERSONS

Inquiries or comments concerning the proposed rulemaking action may be directed to:

Name: Jasmine Dhillon
Address: 2005 Evergreen Street, Suite 2250
Sacramento, CA 95815-3893
Telephone No.: (279) 666-2838
Fax No.: (916) 263-2671
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The backup contact person is:

Name: Kristy Voong
Address: 2005 Evergreen Street, Suite 2250
Sacramento, CA 95815-3893
Telephone No.: (916) 561-8787
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E-Mail Address: kristy.voong@dca.ca.gov

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations with modifications noted, as well as the Final Statement of Reasons when completed, and modified text, if any, can be accessed through the Board's website at: <https://pab.ca.gov/lawsregs/regulations.shtml>.