



**New Copy  
Senate**

General Assembly

**File No. 521**

January Session, 2013

Substitute Senate Bill No. 1067

*Senate, April 16, 2013*

The Committee on Public Health reported through SEN. GERRATANA of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE PROVISION OF CERTAIN SERVICES AT MEDICAL SPAS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2013*) (a) For purposes of this  
2 section: (1) "Medical spa", "medspa" or "medi-spa" means an  
3 establishment wherein is carried on the provision of cosmetic medical  
4 procedures, as defined in section 12-407 of the general statutes, for  
5 sale; and (2) "advertise" includes, but is not limited to, (A) the issuance  
6 of any card, sign or device to any person; (B) causing, permitting or  
7 allowing any sign or marking on or in any building, vehicle or  
8 structure; (C) advertising in any newspaper or magazine; or (D) the  
9 placement of any listing or advertisement in any directory under a  
10 classification or heading, that includes the words "medical spa",  
11 "medspa" or "medi-spa".

12 (b) No person, firm, partnership or corporation shall advertise any  
13 services in any manner using the term or title "medical spa", "medspa"

14 or "medi-spa" unless such person, firm, partnership or corporation  
 15 employs or contracts for the services of a physician licensed pursuant  
 16 to chapter 370 of the general statutes, who shall act as the  
 17 establishment's medical director. The owner or operator of a medical  
 18 spa shall ensure that services are provided under the supervision of  
 19 such medical director and in accordance with title 20 of the general  
 20 statutes.

21 (c) The Commissioner of Public Health shall enforce the provisions  
 22 of this section and may adopt regulations, in accordance with the  
 23 provisions of chapter 54 of the general statutes, relating to the  
 24 administration and enforcement of this section. The commissioner may  
 25 request the Attorney General to petition the Superior Court for such  
 26 order as may be appropriate to enforce the provisions of this section.

27 (d) Any person who violates the provisions of this section or  
 28 regulations adopted pursuant to this section shall be fined not more  
 29 than five hundred dollars for each day during which such violation  
 30 continues.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	New section

**PH**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 14 \$</b>	<b>FY 15 \$</b>
Public Health, Dept.	GF - Cost	83,085	81,685
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	26,854	26,854
Public Health, Dept.	GF - Revenue Gain	47,500	47,500

**Municipal Impact:** None

### **Explanation**

The bill results in a state cost of approximately \$110,000 in FY 14 and \$109,000 in FY 15 and a potential General Fund revenue gain of approximately \$48,000 in both FY 14 and FY 15 by requiring the Department of Public Health (DPH) to enforce prohibitions against a person and entity advertising as a medical spa without employing or contracting with a state-licensed physician to act as medical director of the facility. Combining state costs with potential revenue, the net state impact under the bill is a cost of approximately \$62,000 in FY 14 and \$61,000 in FY 15. State costs include salary costs to DPH for three part-time positions and associated expenses of \$83,000 in FY 14 and \$82,000 in FY 15 and fringe benefits costs for these positions under the State Comptroller - Fringe Benefits of \$27,000 in both FY 14 and FY 15. Potential revenue is associated with fines imposed against violators of the provisions of the bill. Details on state costs and potential revenue are provided in the table below.

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 34.54% of payroll in FY 14 and FY 15.

**Costs and Potential Revenue under sSB 1067**

Agency/Item	FY 14 \$	FY 15 \$
<b>Department of Public Health (DPH)</b>		
0.5 Special Investigator	31,731	31,731
0.5 Staff Attorney II (hearing officer and prosecutor)	43,829	43,829
Equipment	1,400	-
Other expenses (office supplies and transcription of hearings)	6,125	6,125
<b>DPH Cost</b>	<b>83,085</b>	<b>81,685</b>
State Comptroller - Fringe Benefits	26,854	26,854
<b>Gross State Cost</b>	<b>109,939</b>	<b>108,539</b>
Estimate of entities to be found in violation of provisions under the bill	19	19
Average number of days in violation	10	10
Fine per day (maximum fine is \$500)	250	250
<b>Potential Revenue</b>	<b>47,500</b>	<b>47,500</b>
<b>NET STATE COST</b>	<b>62,439</b>	<b>61,039</b>

Cost and revenue estimates to the state assume the existence of approximately 300 medical spas in Connecticut. Should complaints be made on half of these establishments across both fiscal years (75 in each fiscal year), and half of these complaints (38) result in an investigation by a part-time Special Investigator and subsequent hearings (requiring a part-time staff attorney to act as hearing officer and prosecutor and incurring transcription expenses), it is anticipated that in each fiscal year 19 entities will be found in violation of the provisions of the bill. It is assumed that DPH will choose to fine violators, on average, \$250 per day during which the violation continues. Estimating an average of 10 days for violators to become compliant with the requirements of the bill, an estimated \$48,000 in General Fund revenue will be generated in each fiscal year.

***The Out Years***

The annualized fiscal impact identified above will continue into the future subject to inflation and subject to the number of medical spas

for which DPH receives complaints leading to hearings and fines. In addition, normal annual pension costs (currently estimated at 7.5% of payroll) attributable to the identified personnel changes will be recognized in the state's annual required pension contribution in future actuarial valuations.

**OLR Bill Analysis****sSB 1067*****AN ACT CONCERNING THE PROVISION OF CERTAIN SERVICES AT MEDICAL SPAS.*****SUMMARY:**

This bill prohibits a person, firm, partnership, or corporation from advertising services for a “medical spa,” “medspa,” or “medi-spa” unless the person or entity employs or contracts for the services of a state-licensed physician to act as the facility’s medical director. A “medical spa,” “medspa,” or “medi-spa” is an establishment which sells and provides cosmetic medical procedures.

The bill also requires a medical spa’s owner or operator to ensure that the spa’s services are provided under the medical director’s supervision and in accordance with Title 20 of the general statutes (which includes professional and occupational licensing requirements for physicians and other medical professionals, among other occupations). Presumably these requirements also apply to facilities that market themselves as medspas or medi-spas.

The bill requires the Department of Public Health commissioner to enforce these provisions. She may (1) adopt regulations to administer and enforce the bill and (2) ask the attorney general to petition the Superior Court for appropriate enforcement orders.

Someone who violates the bill or regulations adopted under it is subject to a fine of up to \$500 per day while the violation continues.

EFFECTIVE DATE: October 1, 2013

**DEFINITIONS*****Cosmetic Medical Procedure***

The bill uses the state sales tax law’s definition of “cosmetic medical procedures,” which are medical procedures aimed at improving appearance that do not meaningfully promote proper body functions or prevent or treat illness or disease. The statute specifically includes cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft tissue fillers, dermabrasion and chemical peel, laser hair removal, laser skin resurfacing, laser treatment of leg veins, and sclerotherapy.

Reconstructive surgery is exempt from this definition. Reconstructive surgery includes surgery performed on abnormal structures caused by or related to congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including procedures to improve function or give a more normal appearance (CGS § 12-407).

**Advertise**

Under the bill, “advertise” includes:

1. issuing a card, sign, or device to any person;
2. causing, permitting, or allowing a sign or marking on or in a building, vehicle, or structure;
3. advertising in a newspaper or magazine; or
4. placing a listing or advertisement in a directory under a classification or heading, that includes the words “medical spa,” “medspa,” or “medi-spa.”

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea 27 Nay 0 (04/02/2013)