

# **State Medical Board**

**House Human Services Subcommittee**

*Chris Murray, Economist*

*Legislative Service Commission*

*February 25, 2003*

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# **LSC Redbook for the State Medical Board**

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*February 25, 2003*

# State Medical Board

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- The Executive recommends appropriation increases of 3.9% in FY 2004 and 1.4% in FY 2005
- Licensees regulated by the Board increased 5.7% from 2001 to 2002

## OVERVIEW

The mission of the State Medical Board is to protect and enhance the health and welfare of Ohio's citizens through effective medical regulation. The Board is comprised of twelve members, plus five members of the Physicians Assistant Policy Committee who are appointed by the president of the Board. The staff of the Board is currently 78.5 FTEs. The twelve members of the Board are represented by seven medical doctors (M.D.s), one podiatrist (D.P.M.), one osteopathic physician (D.O.), and three representatives of the general public, two of which cannot be a member of, or associated with, a health care provider or profession. All members are appointed by the Governor and serve five-year terms.

Chapter 4731. of the Revised Code provides statutory authority for the Board's activities. The Board regulates about 52,000 active licensees in the state of Ohio, with oversight provided for M.D.s, D.O.s, D.P.M.s, and physician assistants (P.A.s). The Board also regulates the practitioners of several limited branches of medicine such as massage therapists (M.T.s), cosmetic therapists (C.T.s), mechanotherapists (D.M.s), acupuncturists, and anesthesiologist assistants (A.A.s). The Board uses numerous methods to help identify unqualified licensees. These include registering complaints, mandatory reports, continuing education audits, probationary compliance monitoring, approval of drug and alcohol treatment providers, and approval of schools for limited branches of practice.

### Executive Budget Recommendations

The executive budget recommendations include appropriations of \$6,991,505 in fiscal year (FY) 2004 and \$7,092,484 in FY 2005. This represents a 3.9% increase over estimated FY 2003 expenditures and an increase of 1.4% in FY 2005 from FY 2004 recommended appropriation levels. All of the funds appropriated to the Medical Board are located in Fund 5C6, the State Medical Board Operating Fund. Approximately 79% of the executive recommended appropriations will be used to cover personnel expenses for the Board's 78.5 FTEs.

### Licensing System

The occupational licensing boards, in partnership with the Department of Administrative Services, are working to implement a new licensing system. The system will be phased in over the next biennium and each board will pay their share of the costs out of Fund 4K9. The Medical Board will pay about \$158,300 over the biennium for this system.

**Administrative Fees**

During the current biennium, occupational licensing boards have had to absorb increased administrative costs charged by other state agencies. Many boards contracted for services that were once provided for free such as lock-box services and computer technical support. Increases in rent costs have also contributed to higher administrative fees. The Medical Board estimates that increased administrative fees will cost the Board an additional \$27,636 annually.

**Revenue History**

Prior to FY 2000, the Medical Board renewed all of its licenses at one time every two years. This led to an uneven revenue flow in which one year had high revenues and the following year saw a significant decrease in collections. Starting in FY 2000, the Board switched to a staggered renewal cycle in which license renewals were spread out over the course of the two-year period. The following table lists actual revenue for FYs 1998 through 2002 and estimated revenues for FYs 2003 through 2005.

<b>Fiscal Year</b>	<b>Revenue</b>
1998	\$8,845,032
1999	\$3,718,476
2000	\$6,993,237
2001	\$6,487,283
2002	\$7,169,092
2003	\$6,789,065*
2004	\$7,293,980*
2005	\$6,609,660*

*\*Estimated*

## ANALYSIS OF EXECUTIVE PROPOSAL

### State Medical Board

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**Purpose:** The State Medical Board of Ohio strives to protect and enhance the health and welfare of Ohio citizens by regulating the practice of licensed medical and limited branch practitioners.

The following table shows the line item that is used to fund the Medical Board, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
5C6	883-609	State Medical Board Operating	\$6,991,505	\$7,092,484
<b>Total funding: State Medical Board</b>			<b>\$6,991,505</b>	<b>\$7,092,484</b>

### State Medical Board

**Program Description:** The State Medical Board governs the practice of medicine and the limited branches of medicine, as defined by Chapters 4730. and 4731. of the Revised Code, by licensing medical professionals in a variety of specialties.

**Funding Source:** General Services Fund Group. The activities of the Board are funded with licensure fees and fines collected for violations of the rules and laws governing the practice of medicine in Ohio. The funds are deposited into the State Medical Board Operating Fund (Fund 5C6).

**Line Items:** 883-609

**Implication of Recommendation:** The executive recommendations allow the Board to continue existing service levels. The Board will also be able to meet current obligations including its share of the licensing system (\$79,149 annually), administrative cost increases (\$27,636 annually), phone lines and cell phones for investigators (\$25,466 annually), and the recent upgrade of attorney salaries.

The executive recommendation was \$264,943 in FY 2004 and \$272,983 in FY 2005 below the Board's requested amount for each fiscal year, respectively. At the executive recommended funding level, the Board may not be able to hire two enforcement FTEs that would allow the Board to expedite complaint processing. In addition, the Board will not provide step and longevity increases (see Requests not Funded).

According to the Board, it will continue to focus its efforts on ensuring quality care for the public by addressing issues such as scope of practice, delegation of medical tasks, and education and training programs, while continuing to regulate medicinal practices.

## ADDITIONAL FACTS AND FIGURES

State Medical Board Staffing Levels						
Program Series/Division	2000	2001	2002	2003	Estimated	
					2004	2005
Board Members	12	12	12	12	12	12
Physician Assistance Policy Committee	5	5	5	5	5	5
<b>Total Board Members</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
Case Control	5	0	0	0	0	0
Public Inquiries, Disciplinary Action, Enforcement, Standards Review and Intervention	14	21	20	20	20	20
Compliance/Drug Unit	7	7	7	7	7	7
Financial Investigations Unit	2	2	2	2	2	2
Director's Office	5.5	4	6.5	6.5	6.5	6.5
ADM Hearing Unit	5	4	4	4	4	4
Investigations	21	21	20	20	20	20
Licensure	6	6	5	5	5	5
Operations	2	2	3	3	3	3
Systems	3	3	3	3	3	3
Fiscal/Human Resources	4	4	4	4	4	4
Continuing Medical Education/Records/Renewal	4	4	4	4	4	4
<b>Total Staff (non-Board)</b>	<b>78.5</b>	<b>78</b>	<b>78.5</b>	<b>78.5</b>	<b>78.5</b>	<b>78.5</b>

### Quality Intervention Program

In 1996 the Board developed two Quality Intervention Programs (QIP) to deal with cases in which a licensee's practice pattern evinced some problem, but not one that justified formal disciplinary actions. The purpose of QIP is to provide remedial education for licensees to keep them in practice, while improving their practice patterns to protect the public. During the period covering calendar years 2001 and 2002, QIP panels reviewed 235 licensees. The following table illustrates the outcomes of the QIP program reviews.

QIP Review Outcome	
Recommended Closure to Secretary and Supervising Member of the Medical Board (No Action)	105
Referred to Secretary and Supervising Member for Formal Disciplinary Action	18
Educational Intervention Recommended	76
Requested Further Information	36

<b>Number of Active Licensees</b>		
<b>Category of License</b>	<b>Jan 12, 2001</b>	<b>Dec 31, 2002</b>
Doctor of Medicine (MD)	33,673	33,816
Doctor of Osteopathic Medicine (DO)	4,241	4,374
Doctor of Podiatric Medicine (DPM)	1,046	1,016
Limited Practitioners (e.g. massage therapists)	5,494	7,069
Physician Assistants	1,103	1,328
Training Certificates	3,681	4,329
Acupuncturist	12	52
Anesthesiologist Assistant	6	97
<b>TOTAL</b>	<b>49,256</b>	<b>52,081</b>

<b>Disciplinary Actions</b>					
<b>Disciplinary Actions by Type of Sanction</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Revocations	37	29	44	22	33
Indefinite Suspensions	46	46	35	53	60
Definite Suspensions	6	5	3	6	5
Probations	27	28	25	23	31
Reprimands	27	28	25	6	14
Limitations	1	0	2	5	3
Surrenders/Retirements	6	14	14	6	17
Reinstatement/Licensure Denials	8	4	11	6	12
Summary Suspensions	1	11	2	4	8
Automatic Suspensions	3	2	2	3	1
Immediate Suspensions	8	6	7	9	3
Dismissal	0	0	0	0	4
Interim Agreement	0	0	0	0	2
Application conditionally approved	0	0	0	0	1
<b>TOTAL</b>	<b>155</b>	<b>157</b>	<b>162</b>	<b>143</b>	<b>194</b>

<b>License Type</b>	<b>Disciplinary Actions</b>		
	<b>2000 166 actions</b>	<b>2001 143 actions</b>	<b>2002 194 actions</b>
MD	107	106	133
DO	27	17	27
DPM	2	5	8
Massage Therapist	10	5	8
Cosmetic Therapist	1	0	0
Physician Assistant	19	3	6
Acupuncturist	0	1	0
Training Certificate holders	0	5	3
MD licensure applicants	0	0	9
Other (massage school)	0	1	0
Board Orders Issued	66	38	57
Consent Agreement Ratified	45	51	85
Findings, Orders, and Journal Entries	19	20	11
Voluntary Agreements in lieu of Further Disciplinary Action	24	17	27
Interim Agreements	0	0	2
Pre-Hearing Suspensions	12	17	12

## **PERMANENT AND TEMPORARY LAW**

There are no permanent or temporary law provisions contained in the executive budget that will affect the Board.

## REQUESTS NOT FUNDED

State Medical Board						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
5C6 883-609	\$7,256,448	\$6,991,505	(\$264,943)	\$7,365,467	\$7,092,484	(\$272,983)

The Medical Board is required to pay several of its requests that were not funded. These included its share of the licensing system and the phone lines and cell phones for investigators. This accounts for \$104,615 of the difference between the requested and recommended funding levels each fiscal year. The recommended funding level did include moneys to enable the Board to hire two additional enforcement coordinators and to enable the Board to fund the additional enforcement activities those two new positions would generate. However, since the Board is required to pay the \$104,615 in costs each year, the Board may be unable to hire the two additional enforcement coordinators at the recommended funding levels. During the past biennium, the Board has seen an increase in the number of complaints while maintaining staffing levels. According to the Board, the two additional enforcement coordinators would reduce caseload levels and decrease complaint-processing time, thus decreasing the amount of time a potentially dangerous licensee would practice once a complaint is filed. Without the two additional enforcement coordinators, caseload levels will remain the same or increase as will the processing time for complaints.

The majority of the remaining difference relates to the Board's original plan to provide step and longevity increases. The Board will not provide the step and longevity increases for which it had requested funding.

## General Services Fund Group

### 5C6 883-609 State Medical Board Operating

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$5,959,801	\$5,812,749	\$6,135,817	\$6,728,302	<b>\$6,991,505</b>	<b>\$7,092,484</b>
	-2.5%	5.6%	9.7%	<b>3.9%</b>	<b>1.4%</b>

**Source:** GSF: License fees and fine revenue collected by the State Medical Board

**Legal Basis:** ORC 4730. and 4731. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

**Purpose:** Funds are used for general operating expenses, including payroll, supplies, and equipment.

**LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005**

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2002</i>	<i>Estimated 2003</i>	<i>Executive 2004</i>	<i>% Change 2003 to 2004</i>	<i>Executive 2005</i>	<i>% Change 2004 to 2005</i>
<b>MED State Medical Board</b>								
5C6	883-609	State Medical Board Operating	\$ 6,135,817	\$6,728,302	\$ 6,991,505	3.9%	\$ 7,092,484	1.4%
<b>General Services Fund Group Total</b>			<b>\$ 6,135,817</b>	<b>\$ 6,728,302</b>	<b>\$ 6,991,505</b>	<b>3.9%</b>	<b>\$ 7,092,484</b>	<b>1.4%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 6,135,817</b>	<b>\$ 6,728,302</b>	<b>\$ 6,991,505</b>	<b>3.9%</b>	<b>\$ 7,092,484</b>	<b>1.4%</b>