

Ohio Medical Transportation Board

Senate Finance and Financial Institutions Committee

*Sara D. Anderson, Senior Budget Analyst
Legislative Service Commission*

May 10, 2007

*Additional copies are available on our web site at www.lsc.state.oh.us
Click on 'Budget Documents' then 'Redbooks'*

LSC Redbook
for the
Ohio Medical Transportation Board

Senate Finance and Financial Institutions Committee

*Sara D. Anderson, Senior Budget Analyst
Legislative Service Commission*

TABLE OF CONTENTS

OVERVIEW.....	1
Duties and Responsibilities	1
Consolidation Repealed.....	1
Financing Mechanism	1
Technology Initiative	2
Executive Recommendations	2
Object of Expense Summary.....	3
Staffing Levels.....	3
ANALYSIS OF EXECUTIVE PROPOSAL.....	4
Operating Expenses	4
License/Registration/Enforcement.....	4
ATTACHMENTS:	
Catalog of Budget Line Items	
LSC Budget Spreadsheet By Line Item: Executive to House Passed	
Comparison Document: Permanent and Temporary Law	

May 10, 2007

Ohio Medical Transportation Board

- Planned merger repealed
- Moneys redirected to Fund 4K9
- Am. Sub. H.B. 85 dramatically expands scope of responsibility

OVERVIEW

Duties and Responsibilities

The Ohio Medical Transportation Board acts as the regulatory authority for all private, hospital-based, commercial ambulances, wheelchair vans (ambulettes), mobile intensive care units, medical helicopters, and fixed-wing medical aircraft operating within the state. The Board is responsible for establishing minimum operating standards, requires annual licensing of all regulated organizations, requires an annual vehicle permit for each vehicle, and conducts physical inspections of locations and vehicles. Currently, the Board licenses approximately 369 organizations and 2,500 medical transportation vehicles.

The Board has ten members (nine voting members and one nonvoting member) all of whom are appointed by the Governor, with the advice and consent of the Senate. Members are not compensated, but are reimbursed for expenses incurred in the performance of their duties. Its current staff includes 3 full-time employees, 2 contract part-time in-house staff, and 24 contract field inspectors.

Consolidation Repealed

Am. Sub. H.B. 66 of the 126th General Assembly contained a temporary law provision that: (1) expressed the intent of the General Assembly to consolidate the Board within the Department of Public Safety not later than July 1, 2006, (2) created a transition team to develop a plan to ensure the smooth and timely transition of the Board into the Department, and (3) expressed the intent of the General Assembly to introduce a bill in FY 2006 that will include the necessary statutory changes to effect the consolidation and include revised appropriations for FY 2007. Am. Sub. H.B. 530 of the 126th General Assembly repealed that temporary law provision. Thus, the Board was never consolidated with the Department of Public Safety.

Financing Mechanism

The Board currently sustains its operations through the following revenue streams:

- \$100 annual service fee for each licensed service;
- \$100 annual permit fee for each vehicle;
- \$100 permit fee for each vehicle used on a temporary basis or added to the fleet during the licensure period;
- Annual permit fee for air ambulances not to exceed \$100;
- Annual license of organization that operates ambulettes, rotorcraft air ambulances, or fixed wing air ambulances not to exceed \$100;

- Annual permit for each ambulette, rotorcraft air ambulance, or fixed wing air ambulance not to exceed \$100 annually;
- \$25 annual permit for each ambulette until March 9, 2005; not-to-exceed \$35 annually thereafter;
- 2% of the seat belt fine moneys forwarded pursuant to division (E) of section 4513.263 of the Revised Code;
- Civil penalty moneys collected pursuant to section 4766.08 of the Revised Code.

All of these moneys are deposited in the state treasury to the credit of the Ohio Medical Transportation Trust Fund (Fund 4N1) and may only be used for the salaries and expenses of the Board incurred in implementing and enforcing Chapter 4776. of the Revised Code. Under current law, the Board, subject to the approval of the Controlling Board, is permitted to establish permit and license fees in excess of the maximum amounts allowed, but such fees cannot exceed those maximum amounts by more than 50%.

Technology Initiative

The Board is still in the process of implementing a technological initiative that will allow: (1) medical transportation organizations to apply for initial and renewal licensure on-line and (2) field inspectors to complete on-site inspections, and submit information and complete the licensing process on-line. It is expected that this technology will reduce the amount of paperwork and time that staff currently expend as part of the licensing and inspection process.

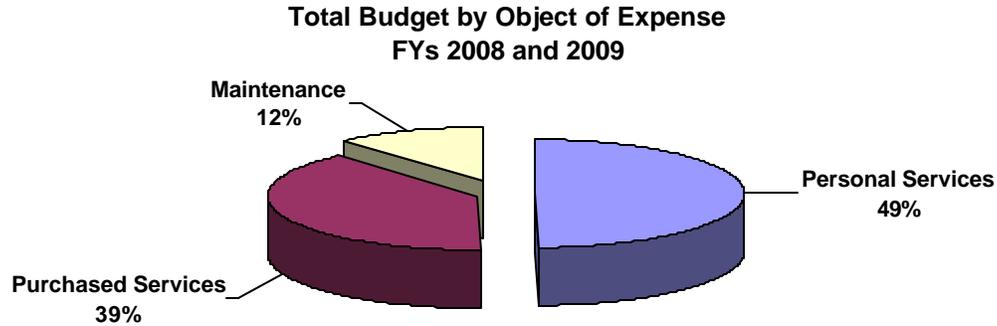
Executive Recommendations

On February 26, 2006, the Controlling Board approved a \$35,000 increase in the Board's FY 2007 appropriation authority, from \$388,450 to \$423,450, largely to fund additional contract inspectors who perform on-site inspections and investigate licensees. This need for this increase reflected a noticeable expansion in the scope of the Board's licensing and inspection responsibilities resulting from the enactment of Am. Sub. H.B. 85 of the 125th General Assembly, effective March 9, 2004, with certain sections effective January 1, 2004. The levels of funding provided under the executive-recommended budget, \$471,450 in FY 2008 and \$473,450 in FY 2009, appear to be sufficient to permit the Board to meet its minimum statutory requirements.

Under current law, the Ohio Medical Transportation Board deposits its fees and other moneys into the Ohio Medical Transportation Trust Fund (Fund 4N1). The executive recommended budget eliminates the Ohio Medical Transportation Trust Fund and authorizes fees and moneys collected by the Ohio Medical Transportation Board to be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K9). Functionally, this will change the Board's accounting system from a cash accounting system to an accrual-based accounting system in an effort to have a more streamlined approach to fiscal management. Numerous state licensing boards deposit funds and fees received into Fund 4K9 to accommodate cash flow needs for the various boards.

Object of Expense Summary

The pie chart immediately below shows the total recommended appropriations (FYs 2008 and 2009) by major object of expense.



Staffing Levels

The table below displays the number of staff employed, or that will be employed, by the Board from FYs 2004 through 2009. The Board anticipates that, under the executive-recommended budget, it will contract with a minimum of 28 independent, on-call inspectors who work only when assigned to by the Board, as well as two independent contractors in the Board's office: an information technology (IT) specialist and a complaints investigator.

Ohio Medical Transportation Staffing Levels by Fiscal Year						
Position	2004	2005	2006	2007	2008*	2009*
Board Members	6	10	10	10	10	10
Administrative Staff	2	2	2	2	2	2
Executive Director	1	1	1	1	1	1
Totals	9	13	13	13	13	13

* The staffing levels displayed in the above table for FYs 2008 and 2009 are estimates.

Note: The number of Board members includes nine voting members and one nonvoting member.

ANALYSIS OF EXECUTIVE PROPOSAL

For budget purposes, as detailed below, the Ohio Medical Transportation Board is considered a single program series agency and its activities are not subdivided into multiple programs.

Single Program Series

Operating Expenses

Purpose: To regulate the medical transportation profession.

The following table shows the line item that is used to fund the Ohio Medical Transportation Board's licensing, registration, and enforcement activities, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
4K9	915-604	Operating Expenses	\$471,450	\$473,450
General Services Fund Subtotal			\$471,450	\$473,450
Total Funding: License/Registration/Enforcement			\$471,450	\$473,450

This analysis focuses on the Board's services and activities that can be grouped under the following program:

■ **Program 1.01: License/Registration/Enforcement**

License/Registration/Enforcement

Program Description: The Ohio Medical Transportation Board acts as the regulatory authority for all private, hospital-based, commercial ambulances, wheelchair vans (ambulettes), mobile intensive care units, medical helicopters, and fixed-wing medical aircraft operating within the state. The Board is responsible for establishing minimum operating standards for medical transportation services throughout Ohio, requires annual licensing of all regulated organizations, requires an annual vehicle permit for each vehicle, and conducts physical inspections of locations and vehicles.

Funding Sources (in order of magnitude): (1) annual licenses and permits for regulated medical transportation organizations and related vehicles, (2) 2% of seat belt fine moneys, and (3) civil penalties

Line Items: See above table

Implication of Executive Recommendation: The levels of funding provided under the executive recommended budget, \$471,450 in FY 2008 and \$473,450 in FY 2009, appear to be sufficient to permit the Board to meet its minimum statutory requirements.

Permanent Law

Elimination of the Ohio Medical Transportation Trust Fund (R.C. 4513.263, 4743.05, and 4766.05). The executive budget eliminates the Ohio Medical Transportation Trust Fund (Fund 4N1) and authorizes fees and moneys collected by the Ohio Medical Transportation Board to be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K9).

Temporary Law

Cash Transfer to Occupational Licensing and Regulatory Fund (Section 333.10). The executive budget contains a temporary law provision that instructing the Director of Budget and Management to: (1) transfer the cash balance in the Ohio Medical Transportation Fund (Fund 4N1) to the Occupational Licensing and Regulatory Fund (Fund 4K9), (2) cancel any existing encumbrances against appropriation item 915-601, Operating Expenses, and (3) reestablish any existing encumbrances against appropriation item 915-604, Operating Expenses. Once the transfers have been completed, the Ohio Medical Transportation Trust Fund (Fund 4N1) is abolished.

G:\Budget\Budget.127\Redbooks\HouseRedbooks\AMB.doc/lb

General Services Fund Group

4K9 915-604 Operating Expenses

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$0	\$471,450	\$473,450
				N/A	0.4%

Source: GSF: (1) 2% of seat belt fine moneys forwarded pursuant to ORC 4513.263(E), (2) all fees from an emergency medical organization for a license as a basic life-support, intermediate life-support, advanced life-support, or mobile intensive care organization, a nonemergency medical service organization for a license to provide ambulette service, or an air medical service organization for a license to provide air medical transportation (ORC 4766.04), (3) all permit fees collected for each ambulance, ambulette, rotorcraft air ambulance, fixed wing air ambulance, and nontransportation vehicle (ORC 4766.07), and (4) all civil penalty moneys collected pursuant to ORC 4766.08

Legal Basis: Amended ORC 4743.05 and Section 333.10 as proposed in the As Introduced version of H.B. 119 of the 127th G.A.

Purpose: Under current law, which is unchanged by the executive-recommended budget, as contained in the As Introduced version of H.B. 119 of the 127th G.A., the fees and other moneys collected by the Ohio Medical Transportation Board may only be used for the salaries and expenses of the Board incurred in implementing and enforcing Chapter 4776. of Revised Code.

4N1 915-601 Operating Expenses

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$362,638	\$371,213	\$394,401	\$388,450	\$0	\$0
	2.4%	6.2%	-1.5%		

Source: GSF: (1) 2% of seat belt fine moneys forwarded pursuant to ORC 4513.263(E), (2) all fees from an emergency medical organization for a license as a basic life-support, intermediate life-support, advanced life-support, or mobile intensive care organization, a nonemergency medical service organization for a license to provide ambulette service, or an air medical service organization for a license to provide air medical transportation (ORC 4766.04), (3) all permit fees collected for each ambulance, ambulette, rotorcraft air ambulance, fixed wing air ambulance, and nontransportation vehicle (ORC 4766.07), and (4) all civil penalty moneys collected pursuant to ORC 4766.08

Legal Basis: ORC 4766.05(B); Section 209 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Sub. S.B. 98 of the 119th G.A.)

Purpose: Under current law, moneys deposited to the credit of the fund support the Ohio Medical Transportation Board, which acts as the regulatory authority for all private, hospital-based, commercial ambulances, wheelchair vans (ambulettes), mobile intensive care units, medical helicopters, and fixed-wing medical aircraft operating within the state. These moneys may only be used for the salaries and expenses of the Board incurred in implementing and enforcing Chapter 4776. of Revised Code.

Effective July 1, 2007, the executive-recommended budget for FYs 2008 and 2009, as contained in the As Introduced version of H.B. 119 of the 127th G.A., proposes to eliminate this fund and authorize fees and other moneys collected by the Board to be deposited in the Occupational Licensing and Regulatory Fund (Fund 4K9), an existing fund into which numerous state licensing boards deposit fees and moneys. Such fees and moneys would, as under current law, only be used for the salaries and expenses of the Board incurred in implementing and enforcing Chapter 4776. of Revised Code.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>Estimated 2007</i>	<i>As Introduced 2008</i>	<i>House Passed 2008</i>	<i>% Change Est. 2007 to House 2008</i>	<i>As Introduced 2009</i>	<i>House Passed 2009</i>	<i>% Change House 2008 to House 2009</i>
AMB Ohio Medical Transportation Board									
4K9	915-604	Operating Expenses		\$ 471,450	\$ 471,450	N/A	\$ 473,450	\$ 473,450	0.4%
4N1	915-601	Operating Expenses	\$388,450	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
General Services Fund Group Total			\$ 388,450	\$ 471,450	\$ 471,450	21.4%	\$ 473,450	\$ 473,450	0.4%
Total All Budget Fund Groups			\$ 388,450	\$ 471,450	\$ 471,450	21.4%	\$ 473,450	\$ 473,450	0.4%

As Introduced (Executive)

As Passed by the House

1 (CD-667-AMB) Elimination of the Ohio Medical Transportation Trust Fund

R.C. 4513.263, 4743.05, and 4766.05

Eliminates the Ohio Medical Transportation Trust Fund (Fund 4N1) and authorizes fees and moneys collected by the Ohio Medical Transportation Board to be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K9).

Fiscal effect: Functionally, this will change the Board's accounting system from a cash accounting system to an accrual-based accounting system in an effort to have a more streamlined approach to fiscal management.

R.C. 4513.263, 4743.05, and 4766.05

Same as the Executive.

Fiscal effect: Same as the Executive.

2 (CD-897-AMB) Annual Operations Report

No provision.

Fiscal effect: No provision.

R.C. 4766.22

Requires the Ohio Medical Transportation Board to submit an annual report to the Governor and General Assembly that provides information on the Board's operations, including the number of licenses and permits issued and renewed, fees collected, and investigations conducted.

Fiscal effect: If the Board were to incur tangible costs in producing the required annual operations report, it seems unlikely that such costs would be more than minimal, if that.

As Introduced (Executive)

As Passed by the House

3 (CD-659-AMB) Cash Transfer to Occupational Licensing and Regulatory Fund**Section: 333.10**

Requires the Director of Budget and Management to: (1) transfer the cash balance in the Ohio Medical Transportation Fund (Fund 4N1) to the Occupational Licensing and Regulatory Fund (Fund 4K9), (2) cancel any existing encumbrances against GSF appropriation item 915-601, Operating Expenses, (3) reestablish any existing encumbrances against GSF appropriation item 915-604, Operating Expenses, and (4) abolishes the Ohio Medical Transportation Trust Fund (Fund 4N1) once the transfers have been completed.

Section: 333.10

Same as the Executive.