

State Medical Board

Senate Finance and Financial Institutions Committee

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Legislative Service Commission*

May 2, 2007

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LSC Redbook

for the

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May 2, 2007

State Medical Board

- In 2006, the Board regulated about 57,000 active licensees in the state of Ohio
- The Board had revenues of about \$7.8 million in FY 2006

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 nine members of the Physicians Assistant Policy Committee. Of the nine members of the committee, two are paid by the Pharmacy Board, two are Medical Board members, and five are appointed by the Board president. 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. Of these, two 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. The staff of the Board is currently 87 full-time equivalents.

Chapters 4730., 4731., 4760., and 4762. of the Revised Code provide statutory authority for the Board's activities. The Board regulates about 57,000 active licensees (as of December 31, 2006), with oversight provided for M.D.s, D.O.s, D.P.M.s, and physician assistants (P.A.s). The Board also regulates acupuncturists, anesthesiologist assistants (A.A.s), mechanotherapists (D.M.s) and naprapaths licensed prior to 1992, as well as limited branch practitioners of massage therapy (L.M.T.s) and cosmetic therapy (C.T.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 massage therapy and cosmetic therapy schools.

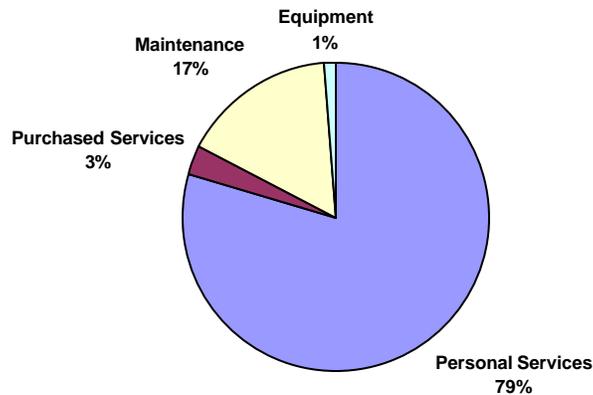
Licensing System

The Board, in partnership with the Department of Administrative Services, implemented a new web-based multi-board licensing system that went online in 2004. Each board pays its share of the costs. The State Medical Board will pay an annual fee of \$39,449 in FY 2008 and \$45,224 in FY 2009 for this system and for the computer firewall protection.

Executive Budget Recommendations

The Medical Board is funded solely by licensure and exam 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 Operating Fund (Fund 5C6). The executive budget recommendations include spending allocations of \$7,883,145 in FY 2008 and \$8,225,945 in FY 2009. As shown on the chart below, approximately 79% of this funding will be used to cover personnel expenses, while 17% will be used for maintenance.

**FY 2008-2009 Biennial Appropriation
by Expense Category**



Revenue History

The Board has a staggered renewal system that is dependent upon the licensee's last name for Medical Doctors, Doctors of Podiatric Medicine, and Doctors of Osteopathy. The following table lists actual revenue for FYs 2002 through 2006 and estimated revenues for FY 2007.

Fiscal Year	Revenue
2002	\$7,169,092
2003	\$6,789,065
2004	\$7,395,681
2005	\$7,088,378
2006	\$7,817,537
2007*	\$6,810,000

*Estimated

Revenues and Expenditures

Fund 5C6	FY 2005	FY 2006
Revenues	\$7,088,378	\$7,817,537
Expenditures	\$7,033,883	\$7,207,685
Net	\$54,495	\$609,852
Two-Year Net	\$664,347	

FY 2006 was a major renewal year for the Board, resulting in the increased revenues. Acupuncturists, Anesthesiologist Assistants, and Physician Assistants renew their licenses on a biennial renewal cycle, in even-numbered years. Massage Therapists and Cosmetic Therapists renew in odd-numbered years.

Staffing Levels

State Medical Board Staffing Levels						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Board Members	12	12	12	12	12	12
Physician Assistant Policy Committee	5	5	5	5	5	5
Total Board Members	17	17	17	17	17	17
Medical Board Staff (non-Board)	80.5	80.5	86	87	87	87

In April 2006, the Controlling Board approved the Board's request for five new full-time positions, which enabled the Board to reorganize and expand their existing Investigations, Compliance and Enforcement Division. The new positions included a compliance supervisor, nurse specialist, standards review supervisor, enforcement secretary, and enforcement paralegal.

FACTS AND FIGURES

The following information was obtained from the Board's web site or annual report.

Number of Total Active Licensees*		
Category of License	December 30, 2005	December 30, 2006
Cosmetic Therapist - CT	200	203
Massage Therapist – MT	8,475	9,451
Doctor of Osteopathy – DO	4,509	4,567
Medical Doctor – MD	34,342	34,832
Doctor of Podiatric Medicine – DPM	966	959
Mechanotherapist – DM	35	34
Naprapath – NAP	1	1
Physician Assistant – PA	1,672	1,709
Restricted Cosmetic Therapist – RCT	33	36
MD Training Certificate	3,908	4,120
DO Training Certificate	719	787
DPM Training Certificate	61	73
Acupuncturist	104	113
Anesthesiologist Assistant	113	117
TOTAL	55,138	57,075

* Total active licenses includes Ohio and out of state addresses.

Quality Intervention Program

In 1996 the Board developed the Quality Intervention Program (QIP) to deal with cases in which a licensee's practice pattern evidenced some problem, but not one that justified formal disciplinary action. 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 calendar year 2005, QIP reviewed 71 cases. In 2006, QIP reviewed 101 cases. The following table illustrates the outcomes of the QIP program reviews.

QIP Review Outcomes for 2006	
Recommended Closure (No quality of care concerns and no further action necessary)	62
Referred to Secretary and Supervising Member for Further Action (Deficiencies not remedial through QIP)	6
Referred for Remedial Education	14
Caution Letter Sent (No other action needed)	19

The following table shows the number of disciplinary actions taken over the past seven years.

	2000	2001	2002	2003	2004	2005	2006
Revocations	45	22	34	31	38	31	41
Indefinite Suspensions	35	53	59	41	57	56	44
Definite Suspensions	4	6	6	6	10	10	4
Probations	27	23	30	34	30	37	42
Reprimands	17	6	14	6	12	4	11
Limitations	2	5	3	2	1	4	5
Surrenders/Retirements	14	6	17	9	19	7	11
Licensure/Reinstatement Denials or Withdrawals for Disciplinary Reasons	11	6	12	10	10	12	14
Summary Suspensions	2	4	8	5	15	12	5
Automatic Suspensions	2	3	1	1	2	2	1
Immediate Suspensions	7	9	3	9	5	1	3
Application Conditionally Approved	0	0	1	0	0	0	0
TOTAL DISCIPLINARY ACTIONS	166	143	190	155	202	178	181

ANALYSIS OF EXECUTIVE PROPOSAL

Single Program Series

Operating Expenses

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 items that are used to fund the State Medical Board, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
5C6	883-609	Operating Expenses	\$7,883,145	\$8,225,945
General Services Fund Subtotal			\$7,883,145	\$8,225,945
Total Funding: State Medical Board			\$7,883,145	\$8,225,945

Program Description: The State Medical Board governs the practice of medicine and the limited branches of medicine, as defined by Chapters 4730., 4731., 4760., and 4762. 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 and exam 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, Operating Expenses

Implication of Executive Recommendation: The Board requested \$8,138,145 in funding for FY 2008 and \$8,215,945 for FY 2009. The executive recommended funding in FY 2008 of \$7,883,145 and \$8,225,945 in FY 2009. The executive recommendation will support the continued issuance and renewal of licenses and certificates, provide for the probationary monitoring of licensees, support the investigation of alleged violations of statutes and rules each year, and to support the Board's educational initiatives.

REQUESTS NOT FUNDED

State Medical Board						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
5C6 883-609	\$8,138,145	\$7,883,145	(\$255,000)	\$8,215,945	\$8,225,945	\$10,000
TOTALS	\$8,138,145	\$7,883,145	(\$255,000)	\$8,215,945	\$8,225,945	\$10,000

The Board requested \$255,000 more than the executive recommendation in FY 2008. In FY 2009 the executive recommended \$10,000 more than the Board requested. The extra amount requested was intended to offset the costs of the Board's impending move, increased rental cost, and salary increases pursuant to their collective bargaining agreement. At the request of the Governor's Office and the Department of Administrative Services—Office of Real Estate Services, the Board will consolidate and relocate their current offices from the Vern Riffe State Office Tower and Key Bank Building to the Rhodes State Office Tower in mid-2007.

The Medical Board has not yet determined the effect of this executive recommendation on its activities for FYs 2008-2009.

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General Services Fund Group

5C6 883-609 Operating Expenses

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$6,664,475	\$7,033,883	\$7,207,685	\$7,728,146	\$7,883,145	\$8,225,945
	5.5%	2.5%	7.2%	2.0%	4.3%

Source: GSF: License fees and other assessments collected by the state's professional and occupational licensing boards

Legal Basis: ORC 4730., 4731., 4743.05., 4760., 4762. (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 2008 - FY 2009

<i>Fund ALI 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>
<i>MED State Medical Board</i>							
5C6 883-609 Operating Expenses	\$7,728,146	\$ 7,883,145	\$ 7,883,145	2.0%	\$ 8,225,945	\$ 8,225,945	4.3%
General Services Fund Group Total	\$ 7,728,146	\$ 7,883,145	\$ 7,883,145	2.0%	\$ 8,225,945	\$ 8,225,945	4.3%
<hr/>							
Total All Budget Fund Groups	\$ 7,728,146	\$ 7,883,145	\$ 7,883,145	2.0%	\$ 8,225,945	\$ 8,225,945	4.3%

As Introduced (Executive)

As Passed by the House

1 (CD-972-MED) State Medical Board English Proficiency Procedure

No provision.

R.C. 4731.142

Authorizes the State Medical Board to adopt rules specifying an acceptable examination and establishing the minimum score on that examination that demonstrates proficiency in spoken English for foreign medical graduates wishing to receive a certificate to practice medicine and surgery or osteopathic medicine and surgery in Ohio.

Fiscal effect: Minimal increase in administrative costs related to adopting rules.

2 (CD-973-MED) State Medical Board Final Adjudicative Order

No provision.

R.C. 4731.22

Increases the time in which the State Medical Board must issue a final adjudicative order regarding a summary suspension from 60 to 75 days after the completion of its hearing.

Fiscal effect: None.