

LSC Redbook

Analysis of the Executive Budget Proposal

State Chiropractic Board

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READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Chiropractic Board, which includes the following four sections.

1. **Overview:** Provides a brief description of the Board, an overview of the executive budget recommendations for the Board, and a discussion of the Board's license fee revenue.
2. **Analysis of Executive Proposal:** Provides a detailed analysis of the executive budget recommendations for the Board, including funding and the activities supported by the recommended funding.
3. **Requests Not Funded:** Compares the Board's budget request with the executive budget recommendations.
4. **Attachments:** Includes the catalog of budget line items (COBLI) for the Board, which briefly describes the Board's line item, and the LSC budget spreadsheet for the Board.

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

State Chiropractic Board

- Non-GRF agency; funded by fee revenues
- Continuation budget
- Over 2,300 active licenses

OVERVIEW

Agency Overview

The State Chiropractic Board was established in 1975. The Board issues licenses for chiropractors, sets the standards of practice, tests each applicant on the Board's laws and rules, investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, reviews and approves continuing education programs, and monitors continuing education compliance among licensees. In FY 2008, the Board was granted the authority to issue acupuncture certificates to qualified chiropractors. Over 2,300 licenses issued by the Board are currently active.

The Board's governing authority consists of five members appointed by the Governor, including four chiropractic physicians and one public member. Members are appointed for four-year terms and may only serve two full terms. The Board is scheduled to meet seven times during 2009. In addition to travel reimbursement, board members receive annual compensation of about \$3,000 for the performance of official board business.

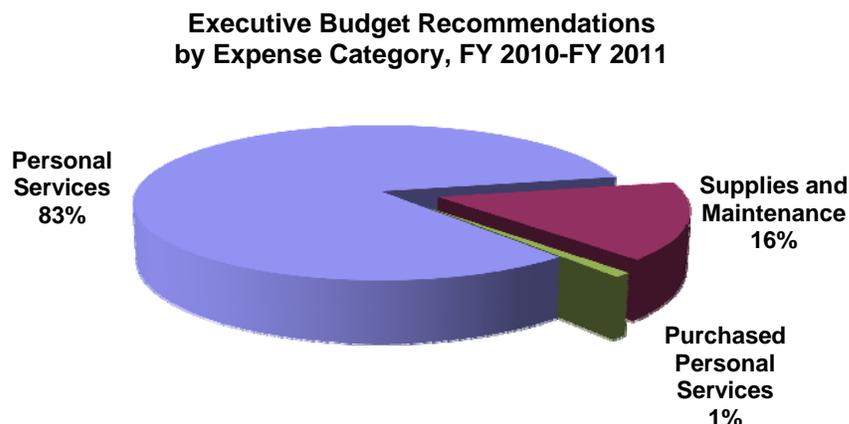
The Board's daily operations are the responsibility of an executive director who is appointed by the five-member governing authority. Including the Executive Director, the Board has five full-time employees with an annual budget of \$621,621 in FY 2009. The Board receives no General Revenue Fund (GRF) money; it is entirely supported by fees.

The Board's priority for the FY 2010-FY 2011 biennium is to reduce the paperwork and time that chiropractors spend obtaining licenses and certificates.

Appropriation Overview

The executive recommends flat funding at the FY 2009 level of \$621,621 for FY 2010 and FY 2011. At the recommended funding level, the Board will be able to maintain its current operations, including its five current employees, in the next biennium.

As a regulatory agency, personal services is the largest expense category for the Board. As seen from the chart below, 83% of the executive budget recommendations for the biennium are for personal services, 16% are for supplies and maintenance, and the remaining 1% is for purchased personal services.



As with many other licensing boards and commissions, the Board receives centralized administrative support services provided by the Central Service Agency (CSA) of the Department of Administrative Services. Services made available through CSA include items such as budget development, Controlling Board request preparation assistance, management consultation, procurement, fiscal processing, human resources, and payroll. These centralized services help increase overall efficiency. The Board pays CSA for services rendered. In FY 2008, the Board paid \$13,159 in CSA charges. These payments are included in the supplies and maintenance category.

Fee Revenues and Fund 4K90

The Board issues chiropractic licenses and acupuncture certificates for chiropractors. The Board also issues preceptorships and temporary licenses. The preceptorship is for students in their final clinical phase of chiropractic school. A temporary license is issued to chiropractors in other jurisdictions who wish to practice in Ohio for limited activities such as sporting events and educational seminars.

Table 1 below shows the current fee amount for each type of license. Licenses issued by the Board must be renewed annually and acupuncture certificates must be renewed biennially. Renewal fees are the same as the fee for an initial license. License fees were last increased in 1983 and renewal fees in 1997.

Type	Fee Amount
Chiropractic License	\$250
Preceptorship	\$75
Temporary License	\$75
Acupuncture Certificate	\$100

Fee revenues collected by the Board are deposited into the Occupational Licensing Regulatory Fund (Fund 4K90), which was established by H.B. 152 of the 120th General Assembly. Over 26 occupational licensing and regulatory boards and commissions, including the State Chiropractic Board, use Fund 4K90 as an operating account into which receipts are deposited and from which expenses are paid. Each licensing board or commission is generally expected to be self-sufficient, i.e., generating enough revenue to cover its expenses.

Table 2 below shows the Board's annual revenue and expenditures from FY 2004 through FY 2011 as well as the net of revenue less expenditures. As seen from the table, in FY 2009, the Board's expenditures are expected to exceed its revenues for the first time since FY 2004. While this trend is expected to continue through FY 2011, the Board does not intend to increase license or certification fees in the FY 2010-FY 2011 biennium.

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009 (estimate)	FY 2010 (estimate)	FY 2011 (estimate)
Revenue	\$586,970	\$619,201	\$612,095	\$613,048	\$607,145	\$615,000	\$619,500	\$621,500
Expenditures	\$572,384	\$530,308	\$512,333	\$528,188	\$541,455	\$621,621	\$621,621	\$621,621
Net of Rev. & Exp.	\$14,586	\$88,893	\$99,762	\$84,860	\$65,690	(\$6,621)	(\$2,121)	(\$121)

ANALYSIS OF EXECUTIVE PROPOSAL

The Board's operations are funded by a single line item appropriation from the General Services Fund Group. Table 3 shows the Governor's recommended funding for the line item.

Table 3. Governor's Recommended Funding for the Board				
Fund	ALI and Name		FY 2010	FY 2011
General Services Fund Group				
4K90	878609	Operating Expenses	\$621,621	\$621,621

Through this one line item, the Board pays all of its operating expenses. The executive recommends flat funding at the FY 2009 level of \$621,621 for FY 2010 and FY 2011. The executive recommendation funds 95% of the Board's request and will generally allow the Board to maintain its current operations and staffing level in the FY 2010-FY 2011 biennium.

Licenses

To carry out its regulatory responsibility, the Board establishes standards of practice and licenses chiropractors. The Board must ensure that each applicant meets certain educational and testing requirements to practice chiropractic in the state of Ohio.

Effective August 22, 2007, S.B. 33 of the 127th General Assembly authorizes the Board to certify chiropractors to practice acupuncture. To regulate the practice of acupuncture by chiropractors, the Board reviews and approves courses of study in acupuncture for chiropractors and ensures that each chiropractor issued a certificate meets certain educational and testing requirements.

Table 4 shows that from FY 2007 to FY 2008, the total number of active chiropractic licenses decreased by three. As of June 30, 2008, six certificates to practice acupuncture were active.

Table 4. Active Licenses and Certificates*		
Type	FY 2007	FY 2008
Chiropractic License	2,274	2,271
Preceptorship	15	20
Temporary License	1	7
Acupuncture Certificate	—	6
Total	2,290	2,304

*Data shown is as of June 30th in each year.

Licenses issued by the Board must be renewed annually; acupuncture certificates must be renewed biennially. Table 5 shows the number of licenses issued and renewed by the Board during FY 2008. The Board renewed more than 2,100 licenses and issued more than 130 new chiropractic licenses. The Board issued the first acupuncture certificates for chiropractors in FY 2008 so the first round of renewals will occur in FY 2010. The Board anticipates issuing approximately 100 acupuncture certificates in the upcoming biennium. Since the preceptorship is for students in their final clinical phase of chiropractic school and a temporary license is typically for a specific event, renewal is uncommon.

Type	New	Renewal	Total
Chiropractic License	103	2,168	2,271
Preceptorship	20	0	20
Temporary License	7	0	7
Acupuncture Certificate	6	—	6
Total	136	2,168	2,304

The Board currently utilizes only the on-line license verification component of the eLicensing system. The eLicensing system is administered through CSA. Each board that participates in the eLicensing system receives a basic component of the system that includes a database of all licensees and their license status. Boards have the option of purchasing additional components of the system including initial licensure, renewal, image storing and indexing, and complaint tracking. The State Chiropractic Board had planned to move forward with on-line renewal; one of the benefits is accepting credit card payment for the renewal fee. During the FY 2008-FY 2009 biennium, the Board began accepting credit card payments for license renewal with applicants providing a credit card number on the paper renewal application. The Board has found that being able to pay by credit card is more important to licensees than being able to apply for renewal electronically. The cost to the Board for accepting credit card payments in FY 2008 was \$4,343. Given the limited resources available, the Board has decided to discontinue accepting credit card payments in the FY 2010-FY 2011 biennium and will not move forward at this time with on-line renewal.

Effective March 24, 2008, H.B. 104 of the 127th General Assembly requires certain licensing boards to wait to issue an initial license until they receive the results of a criminal record check from both the Ohio Bureau of Criminal Identification and Investigation and the Federal Bureau of Investigation. The new law has had minimal effect on the State Chiropractic Board, as it required criminal record checks before it was mandatory.

Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, or impaired practitioners. Complaints against a licensee or an unlicensed practitioner may be submitted to the Board in writing, via telephone, electronic mail, or in person. All complaints are reviewed to determine whether the Board has the legal authority to take action.

In FY 2008, the Board opened 66 cases, most commonly for treatment issues, telemarketing, and billing irregularities. The Board completed 46 investigations and entered into three consent agreements with licensees who were found to be in violation of the Board's laws or rules and revoked one licensee. The Board also sent out 28 violation letters for first-time, minor, and advertising offenses.

Random compliance inspections are conducted by board investigators to ensure compliance with the Board's laws and rules. The Board regularly works with law enforcement agencies statewide to investigate and prosecute misconduct by chiropractic physicians and the unlicensed practice of chiropractic. In FY 2008, the Board conducted 205 compliance investigations.

Quality Intervention Program

In FY 2006, the Board implemented the Quality Intervention Program, a confidential alternative to formal disciplinary proceedings. The mission of the Quality Intervention Program is to effectively address licensees with quality of care and communication issues that may have developed due to poor practice patterns or failure to keep up with current standards of practice. The Quality Intervention Program is under the umbrella of the Board's investigatory process and for this reason participation in the program is confidential and not subject to discovery in any civil proceeding. If the intervention is successful, the licensee should benefit by improving their practice patterns and the standard of care available to their clients.

During FY 2008, three licensees were invited to participate in the Quality Intervention Program. Of those, two accepted the invitation. Each licensee was invited due to documentation and record keeping. Both chiropractors completed the program successfully.

Continuing Education

The Board requires 24 hours of continuing education (CE) annually for chiropractic license renewal. CE courses must be sponsored by a board-approved chiropractic educational organization, a nonprofit chiropractic association registered with the Secretary of State, or an accredited academic health institution or hospital. CE hours may be obtained through clinical or core curriculum programs that take place in classroom or clinical settings, are approved by the Board, and are held within the state of Ohio. A maximum of 12 hours may be obtained through electronic educational

programs, journal publication, or seminars and conferences. Each year, 10% of license renewal applications are selected for a CE audit. Chiropractors with an acupuncture certificate must complete 12 hours of CE biennially for certificate renewal. A list of seminars approved by the Board for CE is available on the Board's web site (<http://chirobd.ohio.gov>).

REQUESTS NOT FUNDED

This section describes the Board's request that was not funded in the executive budget. Table 6 shows the amount of appropriation requested by the Board and the executive recommendation.

Fund Line Item	FY 2010 Recommended	FY 2010 Requested	Difference	FY 2011 Recommended	FY 2011 Requested	Difference
4K90 878609	\$621,621	\$640,616	(\$18,995)	\$621,621	\$654,582	(\$32,961)

The Board had requested funding for purchased personal services and essential travel expenses. The Board relies on purchased personal services exclusively for investigatory and disciplinary matters (e.g., hearing officers, expert witnesses, and court reporter fees). All travel is either related to an investigation or board member attendance at meetings. Given the executive recommendation, the Board will be very limited in the amount that can be spent for those purchased personal services and travel will be limited.

The Board had also requested funding to purchase new computers. Three of the computers used by the Board are six-year-old desktops; one is an eight-year-old desktop. Given the executive recommendation, the Board will not be purchasing new computers.

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General Services Fund Group

4K90 878609 Operating Expenses

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$516,427	\$564,974	\$541,455	\$621,621	\$621,621	\$621,621
	9.4%	-4.2%	14.8%	0.0%	0.0%

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

Legal Basis: ORC 4734.02 and 4743.05; Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This appropriation supports the general operating expenses, including payroll, supplies, and equipment for the State Chiropractic Board. The Board sets standards for licensure and acupuncture certification for chiropractors.

LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2008</i>	<i>2009</i>	<i>As Introduced 2010</i>	<i>% Change 2009 to 2010</i>	<i>As Introduced 2011</i>	<i>% Change 2010 to 2011</i>
CHR State Chiropractic Board								
4K90	878609	Operating Expenses	\$ 541,455	\$ 621,621	\$ 621,621	0.0%	\$ 621,621	0.0%
General Services Fund Group Total			\$ 541,455	\$ 621,621	\$ 621,621	0.0%	\$ 621,621	0.0%
Total All Budget Fund Groups			\$ 541,455	\$ 621,621	\$ 621,621	0.0%	\$ 621,621	0.0%