

LSC Redbook

Analysis of the Executive Budget Proposal

State Board of Optometry

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ATTACHMENTS:

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

State Board of Optometry

- Non-GRF agency; funded by fee revenues
- Continuation budget
- More than 2,100 active licenses

OVERVIEW

Agency Overview

The State Board of Optometry was established in 1919. The Board issues optometry licenses and certifications, conducts investigations of complaints, enforces continuing education requirements, and approves continuing education programs. More than 2,100 licenses issued by the Board are currently active.

The Board's governing authority consists of six members appointed by the Governor, including five optometrists and one public member who is at least 60 years old. Members are appointed for five-year terms and are limited to two successive terms on the Board. The Board meets about four times per year. In addition to travel reimbursement, board members are paid about \$2,000 annually for time spent conducting board business.

The Board's daily operations are the responsibility of an executive director appointed by the six-member governing authority. Including the Executive Director, the Board has three full-time employees with an annual budget of \$351,071 in FY 2009. The Board receives no General Revenue Fund (GRF) dollars; it is entirely supported by fees.

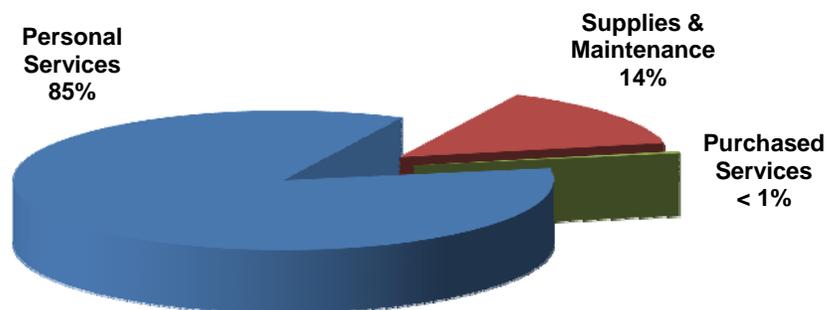
For the FY 2010-FY 2011 biennium, the Board's main priorities will include continuing to add more features to its web site such as downloadable renewal forms and continuing education requirements for licensees as well as making information readily accessible to licensees and the public. These activities will help reduce the Board's administrative costs.

Appropriation Overview

The executive recommends flat funding at the FY 2009 level of \$351,071 in FY 2010 and FY 2011. At the recommended level, the Board will continue to maintain its current operations and staffing levels.

As a regulatory agency, personal services is the Board's largest expense category. As shown in the chart below, 85% of the executive budget recommendations for the biennium are for personal services, 14% for supplies and maintenance, and less than 1% for purchased services.

Executive Budget Recommendations by Expense Category, FY 2010-FY 2011



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 \$10,955 in CSA charges. These payments are included in the supplies and maintenance category.

Fee Revenues and Fund 4K90

The Board issues optometry licenses and therapeutic certifications. The Board also renews, but no longer issues, diagnostic certifications. Individuals who hold an optometry license may apply for therapeutic certification. An optometrist who is issued a therapeutic certification may employ, apply, administer, and prescribe Schedule III controlled substances that are determined to be appropriate for use in the practice of optometry as specified in rules adopted by the Board. An optometrist who received a diagnostic certification prior to 1992 may administer topical ocular pharmaceutical agents for evaluation purposes only. Diagnostic certification is renewable; however, it is no longer an option for optometrists licensed after 1992.

The licensure and renewal fee for an optometry license is \$110. The fee for therapeutic certification (initial and renewal) and diagnostic certification (renewal only) is \$25. The licensure fee was statutorily increased in 1995 from \$95 to \$110. There are about 12 optometrists on active duty in the military who are exempt from paying license renewal fees.

Fee revenues collected by the Board are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90), which was established by H.B. 152 of the 120th General Assembly. About 26 occupational licensing and regulatory boards and

commissions, including the State Board of Optometry, 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 revenues to cover its expenses.

Table 1 shows the Board's annual revenues and expenditures from FY 2004 through FY 2011 as well as the net of revenues less expenditures. Since FY 2004, the Board's expenditures have consistently exceeded revenue. While this trend is expected to continue through FY 2011, the Board does not intend to seek a fee increase during the upcoming biennium.

Table 1. Revenues and Expenditures								
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009 (estimate)	FY 2010 (estimate)	FY 2011 (estimate)
Revenues	\$289,231	\$286,870	\$296,761	\$295,845	\$295,811	\$295,000	\$295,000	\$295,000
Expenditures	\$296,552	\$301,156	\$303,299	\$321,367	\$325,185	\$351,071	\$351,071	\$351,071
Net of Rev. & Exp.	(\$7,321)	(\$14,286)	(\$6,538)	(\$25,522)	(\$29,374)	(\$56,071)	(\$56,071)	(\$56,071)

Recent Scope of Practice Changes

Effective March 24, 2008, H.B. 149 of the 127th General Assembly modified the scope of practice for optometrists who hold a therapeutic pharmaceutical agents certificate as follows:

- Eliminates statutory specifications of the particular drugs and dosages that certified optometrists can administer or prescribe;
- Specifies the classifications of oral drugs that may be used in optometry practice, with limitations on the use of analgesics and anti-inflammatories;
- Eliminates the provision of law that limits certified optometrists from using drug treatment for conditions involving the anterior segment of the eye;
- Authorizes certified optometrists to use any topical drug that pertains to practicing optometry;
- Permits administration of epinephrine by injection in emergency situations;
- Allows certified optometrists to use glucose-monitoring devices; and
- Authorizes certified optometrists to prescribe and dispense vision-correcting devices that also deliver drugs.

H.B. 149 also required the Board to adopt rules governing the use of Schedule III controlled substances when practicing optometry, increased the requirement for annual continuing education in pharmacology from five hours to ten hours and applied the ten-hour requirement to all optometrists, and modified the licensing exemption that

applies to optometry students by permitting students from optometry schools in other states to participate in an optometry training program in Ohio.

The Board adopted rules in July 2008 to implement the provisions of H.B. 149. Just over 50 licensed optometrists are not certified to prescribe or use either diagnostic or therapeutic drugs. These optometrists are not permitted to prescribe, but are required to complete the additional continuing education hours. The Board believes most of these optometrists are likely to retire instead of meeting the increased annual continuing education requirement.

ANALYSIS OF EXECUTIVE PROPOSAL

The Board's operations are funded by a single line item appropriation from the General Services Fund Group. Table 2 below shows the Governor's recommended funding for the line item.

Table 2. Governor's Recommended Funding for the Board				
Fund	ALI	Title	FY 2010	FY 2011
General Services Fund Group				
4K90	930609	Operating Expenses	\$351,071	\$351,071

Through this one line item, the Board pays all of its expenses. The executive recommends flat funding at the FY 2009 level of \$351,071 for FY 2010 and FY 2011. The executive recommendation fully funds the Board's request and will allow the Board to maintain its current operations and staffing level in the FY 2010-FY 2011 biennium.

Licensing

To carry out its regulatory responsibility, the Board establishes standards of practice and issues optometry licenses and therapeutic certifications. The Board also renews diagnostic certifications; however, this type of certification is no longer available to optometrists licensed after 1992. An optometry license is available for individuals meeting academic, preprofessional, and examination requirements. A therapeutic certification is available for licensed optometrists who meet the study and examination requirements in pharmacology. With certain exceptions, to engage in the practice of optometry a person must hold both an optometry license and therapeutic certification. An optometrist who received a diagnostic certification prior to 1992 may administer topical ocular pharmaceutical agents for evaluation purposes only. Optometrists licensed prior to 1992, with or without diagnostic certification, may continue to practice and renew the license and certification they currently hold until they retire or stop practicing. As seen in Table 3 below, therapeutic optometry licenses represent 95% of total licenses issued by the Board in FY 2008. The number of active therapeutic licenses has grown slightly from FY 2007 to FY 2008. As would be expected, the number of general optometry and diagnostic optometry licenses is declining as those optometrists retire. All licenses and certifications must be renewed annually.

Table 3. Active Licenses*			
License Type	FY 2007	FY 2008	% Change
Therapeutic Optometry	1,978	1,996	0.9%
General Optometry	63	57	-9.5%
Diagnostic Optometry	58	52	-10.3%
Total	2,099	2,105	0.3%

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

The Board currently utilizes the licensure 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 Board does not intend to add any additional components of the eLicensing system during the FY 2010-FY 2011 biennium.

Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, and impaired practitioners. All complaints to the Board must be submitted in writing, which are then reviewed to determine whether the Board has the legal authority to take action. In FY 2008, of the 21 complaints the Board investigated, the Board took disciplinary action in three cases. One case involved practicing without a license; the Board entered into a consent agreement and the person renewed their license. Another case involved alcohol addiction; the Board entered into a consent agreement that included license suspension followed by the licensee being placed on probationary status. A third case involved prescribing glasses incorrectly; the Board issued a letter of concern. Two other cases are still pending.

In addition to investigating complaints, the Board also conducts unannounced on-site optometry office inspections to check for compliance with the Board's laws and rules. In FY 2008, the Board completed 180 on-site inspections and identified 43 violations during those inspections.

Continuing Education

Sub. H.B. 149 changed the continuing education requirements for optometrists in FY 2008. The number of continuing education hours increased from 15 to 25 hours for all optometrists. The pharmacology instruction requirement increased to ten hours each year, but is included in the 25-hour total requirement. The pharmacology instruction requirement applies to all optometrists, including general optometrists (those without either type of certification). Although the bill became effective March 25,

2008, the Board voted to delay the requirement until the continuing education period that begins October 1, 2008. A list of approved programs and activities is posted on the Board's web site (<http://optometry.ohio.gov>).

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General Services Fund Group

4K90 885609 Operating Expenses

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$303,299	\$315,275	\$325,185	\$351,071	\$351,071	\$351,071
	3.9%	3.1%	8.0%	0.0%	0.0%

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

Legal Basis: ORC 4725.03 and 4743.05; Section 353.10 of Am. Sub. H.B. 119 of the 127th General Assembly (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is used to pay the operating expenses of the State Board of Optometry, including payroll, supplies, and equipment. The Board issues optometry licenses and certifications, conducts investigations of complaints, enforces continuing education requirements, and approves continuing education programs.

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>
OPT		State Board of Optometry						
4K90	885609	Operating Expenses	\$ 325,185	\$ 351,071	\$ 351,071	0.0%	\$ 351,071	0.0%
General Services Fund Group Total			\$ 325,185	\$ 351,071	\$ 351,071	0.0%	\$ 351,071	0.0%
Total All Budget Fund Groups			\$ 325,185	\$ 351,071	\$ 351,071	0.0%	\$ 351,071	0.0%