

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

## **Respiratory Care Board**

*Wendy Risner, Senior Budget Analyst  
Legislative Service Commission*

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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 Respiratory Care 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

# Respiratory Care Board

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- Non-GRF agency; funded by fee revenues
- Flat funded for the biennium
- Over 7,600 active licenses

## OVERVIEW

### Agency Overview

The Ohio Respiratory Care Board (RCB) was established in 1989. The Board issues licenses and limited permits for respiratory care professionals and establishes standards for education, preprofessional training, and examination. The Board also sets standards of practice for respiratory care professions, investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education compliance among licensees. In 2005, the Board acquired home medical equipment (HME) licensure and registration for certain HME facilities that sell or rent equipment to the public in Ohio. Over 7,600 licenses and limited permits issued by the Board are currently active.

The Board's governing authority consists of nine members who are appointed by the Governor, including five respiratory care professionals, two HME facility managers, one pulmonary physician, and one public member. Members are appointed for three-year terms and may be reappointed. The Board members meet six times per year, usually for two days at a time. In addition to travel reimbursement, board members are paid a per diem for the performance of official board business.

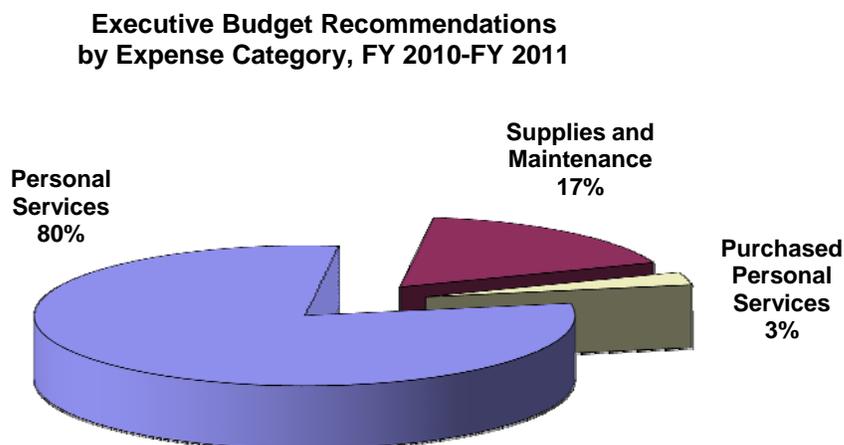
The Board's daily operations are the responsibility of an executive director who is appointed by the nine-member governing authority. Including the Executive Director, the Board has four full-time employees and one part-time employee and an annual budget of \$495,689. The Board receives no General Revenue Fund (GRF) money; it is entirely supported by fees.

The Board's priorities for the FY 2010-FY 2011 biennium are issuing and renewing respiratory care and HME licenses and certificates of registration, investigating complaints, and inspecting licensed HME facilities.

## Appropriation Overview

The executive recommends flat funding at the FY 2009 level of \$495,689 for FY 2010 and FY 2011.

As a regulatory agency, personal services is the largest expense category of the Board. As seen from the chart below, 80% of the executive budget recommendations for the biennium are for personal services, 17% for supplies and maintenance, and 3% for purchased 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 \$11,442 in direct CSA charges and \$745 in copy charges. These payments are included in the supplies and maintenance category.

## Fee Revenues and Fund 4K90

The Board issues respiratory care professional licenses and limited permits. Additionally, the Board issues two types of home medical equipment licenses: HME licensed facilities and HME certificates of registration. The Board issues certificates of registration for facilities that offer qualifying home medical equipment, but are nationally accredited, and a license for nonaccredited facilities that offer qualifying home medical equipment that meet the standards for licensing adopted by the Board. Table 1 below shows the current fee amount for each type of license. Respiratory care professional licenses are renewed biennially, while limited permits are renewed

annually. HME associated licenses are also renewed biennially. The last fee increase was in 1997.

<b>License Type</b>	<b>Initial</b>	<b>Renewal</b>
Respiratory Care Professional	\$75	\$100
Limited Permit	\$20	\$10
HME License	\$300	\$650
HME Certificate	\$150	\$400

The Board also inspects HME licensed facilities. Due to the nature of these inspections and specialized knowledge required, RCB contracts for these inspections. The Board charges a fee for the inspection.

Fee revenues collected by the Board are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90), which was established by Am. Sub. H.B. 152 of the 120th General Assembly. About 26 occupational licensing and regulatory boards and commissions, including the Respiratory Care 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 revenues to cover its expenses.

Table 2 below shows the annual revenues and expenditures for the Board from FY 2004 to FY 2011, as well as the net of revenues less expenditures. FY 2009 through FY 2011 figures are estimates. The Board has a biennial licensing schedule. As seen in the table, the Board has always contributed more to Fund 4K90 during their two-year cycle than it has expended. Beginning in FY 2005, expenditures increased due to the implementation and regulation of the HME licensing program, including the hiring of a staff member to coordinate licensing and registration. Revenues have also increased because of the program. However, revenue is projected to decrease in FY 2011 due to federal regulations involving HMEs. Because of these federal regulations, the Board anticipates that HMEs will choose to be certified rather than licensed. If so, license and inspection revenues for the Board will decrease.

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009 (estimate)</b>	<b>FY 2010 (estimate)</b>	<b>FY 2011 (estimate)</b>
Revenue	\$657,781	\$81,239	\$991,919	\$172,509	\$808,075	\$307,600	\$948,490	\$94,050
Expenditures	\$294,260	\$361,213	\$411,759	\$439,840	\$448,142	\$495,689	\$495,689	\$495,689
Net of Rev. & Exp.	\$363,521	(\$279,974)	\$580,160	(\$267,331)	\$359,933	(\$188,089)	\$452,801	(\$401,639)

## 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.

<b>Table 3. Governor's Recommended Amounts for the Board</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Services Fund Group</b>				
4K90	872609	Operating Expenses	\$495,689	\$495,689

Through this one line item, the Board pays all of its operating expenses. The executive recommends flat funding at the FY 2009 level of \$495,689 for FY 2010 and FY 2011.

### Licenses

To carry out its regulatory responsibility, the Board establishes standards and licenses qualified respiratory care professionals. The Board issues respiratory care professional licenses and limited permits. A respiratory care professional license is available for individuals meeting academic, preprofessional, and examination requirements. A limited permit is available for individuals who have met academic and preprofessional requirements but have not yet taken the examination. Additionally, the Board provides for the registration and certification of HMEs. From FY 2007 to FY 2008, the total number of active licenses and limited permits decreased 4.7%.

<b>Table 4. Active Licenses, FY 2007 and FY 2008</b>			
<b>License Type</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>% Change</b>
Respiratory Care Professional	7,035	6,742	(4.2%)
Limited Permit	383	357	(6.8%)
HME License	221	145	(34.4%)
HME Certificate	378	394	4.2%
<b>Total</b>	<b>8,017</b>	<b>7,638</b>	<b>(4.7%)</b>

Licenses issued by the Board are required to be renewed every two years. Limited permits are renewed every year. Table 5 below shows the number of licenses issued by the Board in FY 2008. Respiratory care professional license renewals represented 79% of the licenses issued.

<b>License Type</b>	<b>Initial</b>	<b>Renewal</b>
Respiratory Care Professional	364	6,574
Limited Permit	349	349
HME License	63	145
HME Certificate	81	394

The Board currently utilizes the eLicensing system for initial and renewal licensure applications. The system allows users to verify licenses. 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 was charged \$5,588 in FY 2008 for the use and maintenance of the system.

Effective March 24, 2008, H.B. 104 of the 127th General Assembly requires the Board to wait to issue an initial license until they receive the results of a criminal records check from both the Ohio Bureau of Criminal Identification and Investigation and the Federal Bureau of Investigation.

### **Investigation and Enforcement Statistics**

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, and impaired practitioners. In FY 2008, 163 cases were brought forward to the Board. The Board entered into 90 consent agreements in lieu of hearings with licensees who were found to be in violation of the Board's laws or rules. No revocations or referrals to the prosecutor took place in FY 2008.

### **Continuing Education**

The Board is also responsible for setting continuing education requirements. The Board requires 20 contact hours of Respiratory Care Continuing Education (RCCE) every renewal cycle (ending on June 30 of every even year) for licensed respiratory care professionals and ten contact hours annually for experience-based limited permit holders. RCCE earned for license and limited permit renewal must include the following content requirement: (1) one contact hour of RCCE on Respiratory Care Law or professional ethics, (2) at least 15 contact hours (seven for limited permit holders) relating to the provision of clinical respiratory care, and (3) the remaining four contact hours (three for limited permit holders) may include indirectly related content, such as activities relevant to specialized aspects of respiratory care, such as education, supervision, management, health care cost containment, cost management, health quality standards, disease prevention, health promotion, or abuse reporting.

## 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.

<b>Fund Line Item</b>	<b>FY 2010 Recommended</b>	<b>FY 2010 Requested</b>	<b>Difference</b>	<b>FY 2011 Recommended</b>	<b>FY 2011 Requested</b>	<b>Difference</b>
4K90 872609	\$495,689	\$504,197	(\$8,508)	\$495,689	\$517,193	(\$21,504)

The Board requested, but did not receive, additional appropriations to fund a position change from part-time to full-time in the HME licensing program and to fund completion of the current four-year cycle of HME inspections. For the current cycle, all HME licensed facilities must be inspected before FY 2011. However, due to changes in federal Medicare/Medicaid participation rules, the Board anticipates that many licensed HME facilities may seek national accreditation. If this occurs, these licensed facilities would be certified by the Board and would no longer need to be inspected. Instead, they would be surveyed by the national accreditation agencies. The Board is uncertain how many facilities will become accredited and certified by FY 2011. Thus, the full impact on inspection activities cannot be estimated. Because of the potential impact of the change in federal law, the Board may need to reconsider management objectives to maintain an adequate inspection schedule with the funding provided.

*RCB.docx / cm*

*General Services Fund Group*

**4K90 872609 Operating Expenses**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$409,938	\$439,841	\$488,142	\$495,689	<b>\$495,689</b>	<b>\$495,689</b>
	7.3%	11.0%	1.5%	<b>0.0%</b>	<b>0.0%</b>

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

**Legal Basis:** ORC 4761.02 and 4743.05 (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 Ohio Respiratory Care Board. This Board licenses and regulates the practice of respiratory care and home medical equipment in Ohio.

## 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>
<b><i>RCB Respiratory Care Board</i></b>								
4K90	872609	Operating Expenses	\$ 488,142	\$ 495,689	\$ 495,689	0.0%	\$ 495,689	0.0%
<b>General Services Fund Group Total</b>			<b>\$ 488,142</b>	<b>\$ 495,689</b>	<b>\$ 495,689</b>	<b>0.0%</b>	<b>\$ 495,689</b>	<b>0.0%</b>
<b><i>Total All Budget Fund Groups</i></b>			<b>\$ 488,142</b>	<b>\$ 495,689</b>	<b>\$ 495,689</b>	<b>0.0%</b>	<b>\$ 495,689</b>	<b>0.0%</b>