

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

## **State Dental Board**

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### **ATTACHMENTS:**

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

# State Dental Board

- Non-GRF agency; funded by fee revenues
- Funding increased by 2.3% in FY 2012 and decreased by 1.8% in FY 2013
- Over 30,000 active licenses and certificates

## OVERVIEW

### Agency Overview

The State Dental Board was established in 1892. The Board issues licenses to dentists and dental hygienists and assistants. The Board also issues a variety of certificates and permits related to the practice of dentistry. The Board sets standards for training, ethics, and the practice of dentistry and dental hygiene. The Board investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education compliance among its licensees and certificate holders. Over 30,000 licenses and certificates issued by the Board are currently active.

The Board's governing authority consists of 13 members appointed by the Governor, including nine dentists, three dental hygienists, and one public member. Members are appointed to four-year terms and may serve two terms. The Board meets about eight times per year. In addition to travel reimbursement, board members receive annual compensation of about \$3,400 for the performance of official board business.

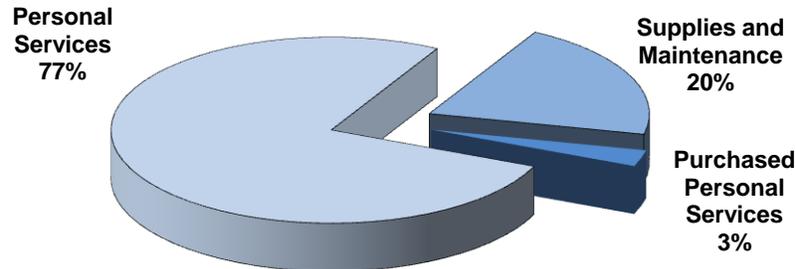
The Board's daily operations are the responsibility of an executive director who is appointed by the 13-member governing authority. Including the Executive Director, the Board currently has 13 full-time employees with an annual budget of \$1.54 million in FY 2011. The Board receives no GRF money; it is entirely supported by fees.

### Appropriation Overview

The executive recommends funding of \$1.57 million for FY 2012, a 2.3% increase over the FY 2011 estimated expenditures, and \$1.54 million for FY 2013, a 1.8% decrease from FY 2012. According to the Executive Director, the Board may need to make staffing adjustments in order to operate within the recommended appropriations.

As a regulatory agency, personal services is the largest expense category of the Board. As seen from the chart below, approximately 77% of the executive budget recommendations for the biennium are for personal services, 20% for supplies and maintenance, and 3% for purchased personal services.

### Executive Budget Recommendations by Expense Category, FY 2012-FY 2013



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 (DAS). Services made available through CSA include budget development, Controlling Board request preparation assistance, management consultation, procurement, fiscal processing, human resources, and payroll. The Board pays CSA for services rendered. In FY 2010, the Board paid \$39,927 in CSA charges. These payments are included in the supplies and maintenance category.

### Fee Revenues and Fund 4K90

The Board issues several types of licenses and certificates. Table 1 below shows the current fees for licenses and certificates. In addition to those shown in the table, the Board issues several types of limited licenses and licenses for graduates of unaccredited dental colleges located outside the United States. Licenses issued by the Board are required to be renewed biennially, with dentists and hygienists renewing in even-numbered years and dental assistant radiographers and expanded function dental auxiliaries renewing in odd-numbered years.

<b>Table 1. License and Certificate Fees</b>	
<b>Type</b>	<b>Fee</b>
Dentists	
<i>Initial License (odd-numbered years)</i>	\$200
<i>Initial License (even-numbered years)</i>	\$337
<i>License Renewal</i>	\$245
<i>Late Renewal (in addition to renewal fee)</i>	\$100
<i>License Reinstatement</i>	\$300
<i>General Anesthesia Permit*</i>	\$127
<i>Conscious Intravenous Sedation Permit*</i>	\$127
Dental Hygienists	
<i>Initial License (odd-numbered years)</i>	\$96
<i>Initial License (even-numbered years)</i>	\$147
<i>License Renewal</i>	\$105
Dental Assistant Radiographers**	\$25
Expanded Function Dental Auxiliary**	\$20
Coronal Polishing Certificate**	\$15

\* These permits are renewed biennially; there is no fee for renewal.

\*\*Initial and renewal fees are the same.

A portion of licensure fee revenue received from dentists is transferred to the Department of Health (DOH) for the Dentist Loan Repayment Fund. For initial licenses issued in even-numbered years and for renewals, \$20 is transferred, and for licenses issued in odd-numbered years, \$10 is transferred. The Dentist Loan Repayment Program, administered by DOH, reimburses dental students for all or part of tuition, room and board, and other educational expenses. In order to participate, students must go through an application process and agree to provide services in dental health resource shortage areas upon graduation from an accredited dental college.

The remainder of the fee revenues collected by the Board are deposited into the Occupational Licensing Regulatory Fund (Fund 4K90) to support the Board's operating costs. Fund 4K90 was established by H.B. 152 of the 120th General Assembly. Twenty-six occupational licensing and regulatory boards and commissions, including the State Dental Board, use the fund 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 revenues and expenditures each year from FY 2007 through FY 2013, as well as the net of revenues less expenditures. As seen in the table, the Board's revenues exceed expenditures in even-numbered years. This trend corresponds with the Board's license renewal cycle; revenues are greater during

the years when dentists and hygienists renew since their renewal fees are higher and they represent the largest portion of total licensees.

<b>Table 2. Revenues and Expenditures<sup>1</sup></b>							
	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 (estimate)</b>	<b>FY 2012 (estimate)</b>	<b>FY 2013 (estimate)</b>
Revenue	\$437,897	\$2,410,833	\$449,977	\$2,605,810	\$450,000	\$2,745,302	\$450,000
Expenditures	\$1,472,877	\$1,411,443	\$1,928,021	\$1,609,528	\$1,539,944	\$1,574,715	\$1,545,684
Net of Rev. & Exp.	(\$1,034,980)	\$999,390	(\$1,478,044)	\$996,282	(\$1,089,944)	\$1,170,587	(\$1,095,684)

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<sup>1</sup> Revenues do not include the portion of the fee that is transferred to the Dentist Loan Repayment Fund.

## 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 2012	FY 2013
<b>General Services Fund Group</b>				
4K90	880609	Operating Expenses	\$1,574,715	\$1,545,684

Through this one line item, the Board pays all of its expenses. The executive recommends \$1.57 million for FY 2012, a 2.3% increase over FY 2011 estimated expenditures, and \$1.55 million for FY 2013, a 1.8% decrease from FY 2012. According to the Executive Director, given the executive recommendation, the Board may make staffing adjustments in order to cover all operating costs.

During the FY 2012-FY 2013 biennium, in addition to ongoing operating expenses, the Board will be required to pay the cost of the biennial audit conducted by the Auditor of State. S.B. 155 of the 128th General Assembly, effective March 31, 2010, requires all state agencies to pay for their own audits.<sup>2</sup> In the past, the cost of state agency audits was paid for by the Department of Administrative Services, but funding for that purpose was eliminated by Am. Sub. H.B. 1 of the 128th General Assembly (FY 2010-FY 2011 biennial budget bill). The Board expects the cost of the audit to be about \$10,000 in the upcoming biennium.

For the FY 2012–FY 2013 biennium, the Board plans to enhance its web site to make more information readily available to licensees and the public, while reducing costs. For instance, the Board has begun, and will continue, to post news online rather than mailing newsletters, and plans to add a new page on its web site about the new Oral Health Access Supervision Program. The Board continues to make patient protection a priority through enforcement of statutes and rules governing the practice of its licensees.

### Licenses

To carry out its regulatory responsibility, the Board establishes standards of practice and licenses and certifies qualified dental practitioners. As seen in Table 4 below, from FY 2009 to FY 2010, the total number of active licenses and certificates issued by the Board increased 8.5%. The license type with the largest increase in the

<sup>2</sup> R.C. 117.13.

number of active licenses was dental assistant radiographers, with 1,895 more in FY 2010 than FY 2009.

Type	FY 2009	FY 2010	% Change
Dentists	7,042	6,963	-1.1%
Dental Hygienists	7,676	7,779	1.3%
Dental Assistant Radiographers	10,909	12,804	17.4%
Limited License	243	346	42.4%
Expanded Function Dental Auxiliary	1,142	1,342	17.5%
Coronal Polishing Certificate	735	860	17.0%
<b>Total</b>	<b>27,747</b>	<b>30,094</b>	<b>8.5%</b>

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

Licenses issued by the Board are required to be renewed every two years, except for limited licenses which are valid for a specific period depending on the license. The Board has a staggered renewal cycle with dentists and hygienists renewing in odd-numbered years, and dental assistant radiographers and expanded function dental auxiliary renewing in even-numbered years. Table 5 shows the number of licenses and certificates issued by the Board during FY 2010.

Type	Number Issued
Dentists	268
Dental Hygienists	392
Dental Assistant Radiographers	1,498
Expanded Function Dental Auxiliary	296
Limited License	134
Coronal Polishing Certificate	148
<b>Total</b>	<b>2,736</b>

The Board currently uses the renewal component of the eLicensing system. This component allows licensees to apply for renewal online and pay the fee by credit card. 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.

## Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, or 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. Effective September 13, 2010, Sub. H.B. 215 of the 128th General Assembly created the position of vice-secretary of the Board and created a supervisory investigative panel, made up of the secretary and vice-secretary, to oversee all investigations conducted by the Board. Furthermore, the Board contracts with three hearing examiners to oversee all of the Board's hearings and deliberations.

The most common complaint has been for standards of care. Of the 503 complaints in FY 2010, 326 (65%) involved standards of care. That year, the Board completed over 500 investigations, entered into 25 consent agreements, suspended 12 licenses, and accepted one voluntary license surrender. The Board issued 42 warning letters to notify licensees that the Board had concerns regarding their practice behavior; however, no formal action was taken. The Board did not hold any disciplinary hearings. The Board also continues to monitor 82 licensees on probationary status.

The Board is responsible for ensuring that infection control standards are being maintained in dental offices. Such standards include the appropriate use of hand washing, disinfection and sterilization of equipment, handling and disposal of needles or other sharp instruments, and wearing and disposal of gloves and other protective garments and devices. Infection control evaluations are done if a complaint has been filed and also randomly when an investigator is "in the area" and has time. In FY 2010, the Board conducted 617 infection control evaluations.

### Quality Intervention Program

The Board was the first dental board in the nation to implement a Quality Intervention Program (QUIP). QUIP allows the Board, with the assistance of a panel of experts, to address those cases the Board Secretary believes involve licensees who engage in minor violations of the accepted standards of care for the profession. QUIP provides early intervention and remedial education services (at the licensee's expense), monitors the remediation process, and provides a means to efficiently review and follow up on complaints. Success is measured by documentation demonstrating that the licensee's skills are improved and that the licensee can safely and competently treat dental consumers. Since its inception in FY 2004, 24 dental practitioners have been referred to QUIP, 13 have participated, seven have successfully completed, and four were removed. There is currently one licensee participating in QUIP.

## Continuing Education

The Board requires continuing education (CE) for license renewal. CE consists of activities designed to review existing concepts and techniques, to convey information beyond basic dental education, and to update knowledge on advances in scientific and

clinical practice-related subject matter. Requirements vary by license. There are no CE requirements for expanded function dental auxiliaries or coronal polishing certificates. H.B. 190 of the 128th General Assembly requires that beginning in 2011, the CE requirement for dental hygienists be increased to 24 hours. Table 6 shows the number of CE hours required every two years for license renewal.

<b>License Type</b>	<b>Hours</b>
Dentists	40
Dental Hygienists	24
Dental Assistant Radiographers	2

The Board requires licensees to obtain CE credits from the following categories: directly interactive presentation format; supervised self-instruction; papers, publications, and scientific presentations; teaching and research appointments; volunteer service as a clinician; and table clinics. In addition, the Board has limited the number of credits that can be obtained in each category. A complete list of approved programs and activities is posted on the Board's web site (<http://www.dental.ohio.gov>).

### **Oral Health Access Supervision Program and Other Licensing Changes**

Effective August 31, 2010, H.B. 190 of the 128th General Assembly created the Oral Health Access Supervision Program. The program allows a dentist to authorize a dental hygienist to provide dental hygiene services in certain facilities, such as hospitals, schools, clinics, correctional institutions, and nursing homes, when no dentist is present, provided that the dentist and dental hygienist qualify for the program and certain conditions are met.

Each program participant must pay a \$20 application and biennial renewal fee. The program went into effect on February 1, 2011, but full implementation will not begin until May 2011.

The bill made other licensing and administrative changes. The bill removed a provision of existing law that requires automatic suspension of a dentist for failure to renew registration and instead allows the Board to take disciplinary action in accordance with current law, requires dental hygienists whose licenses have been suspended for failure to renew registration to apply to the Board for licensure reinstatement, and allows for the temporary retirement of dental hygienists. The bill, under certain conditions, also allows dental hygienists authorized by another state's licensing authority to administer local anesthesia.

## REQUESTS NOT FUNDED

This section describes the Board's request that was not funded in the executive budget. Table 7 shows the amount of appropriation requested by the Board and the executive recommendation.

Table 7. Requested Funding Compared to Executive Recommendation						
Fund Line Item	FY 2012 Recommended	FY 2012 Requested	Difference	FY 2013 Recommended	FY 2013 Requested	Difference
4K90 880609	\$1,574,715	\$1,611,912	(\$37,197)	\$1,545,684	\$1,582,417	(\$36,733)

The Board had requested funding to cover expenses in FY 2012 for the 32-hour collective bargaining payroll supplement, the 27th pay period, and the biennial audit. The Board also requested funding for an additional staff member. Given the executive recommendation, the Board may make staffing adjustments in order to cover all operating costs.

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## Ohio State Dental Board

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### General Services Fund Group

#### **4K90 880609 Operating Expenses**

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,409,944	\$1,534,539	\$1,489,549	\$1,539,944	<b>\$1,574,715</b>	<b>\$1,545,684</b>
	8.8%	-2.9%	3.4%	<b>2.3%</b>	<b>-1.8%</b>

**Source:** General Services Fund Group: License fees and other assessments collected by the state's professional and occupational licensing boards

**Legal Basis:** ORC 4715.04 and 4743.05; Section 255.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

**Purpose:** This line item is used to pay the State Dental Board's operating expenses, including personal services, supplies, maintenance, and equipment. The Board issues licenses to dentists and dental hygienists and assistants. The Board also issues a variety of certificates and permits related to the practice of dentistry. The Board sets standards for training, ethics, and the practice of dentistry and dental hygiene. The Board investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education compliance among its licensees and certificate holders.

**FY 2012 - FY 2013 Introduced Appropriation Amounts**

**All Fund Groups**

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>DEN Ohio State Dental Board</b>								
4K90	880609	Operating Expenses	\$ 1,489,549	\$ 1,539,944	\$ 1,574,715	2.26%	\$ 1,545,684	-1.84%
<b>General Services Fund Group Total</b>			<b>\$ 1,489,549</b>	<b>\$ 1,539,944</b>	<b>\$ 1,574,715</b>	<b>2.26%</b>	<b>\$ 1,545,684</b>	<b>-1.84%</b>
<b>Ohio State Dental Board Total</b>			<b>\$ 1,489,549</b>	<b>\$ 1,539,944</b>	<b>\$ 1,574,715</b>	<b>2.26%</b>	<b>\$ 1,545,684</b>	<b>-1.84%</b>