

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

## **State Chiropractic 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
- Funding increased by 5.6% in FY 2014 and by 2.1% in FY 2015
- Over 2,400 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. The Board also issues acupuncture certificates to qualified chiropractors. Over 2,400 licenses issued by the Board are currently active.

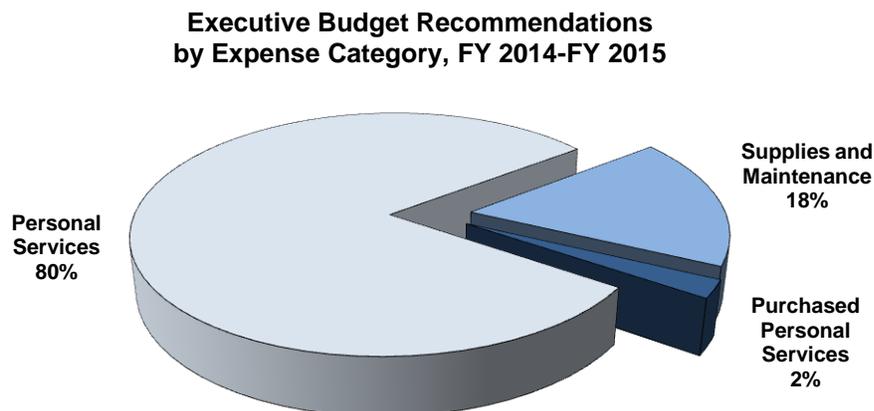
The Board's governing authority consists of five members appointed by the Governor, including four chiropractic physicians and one public member. Members are appointed for four-year terms and may serve two full terms. The Board is scheduled to meet six times during 2013. In addition to travel reimbursement, board members receive compensation for the performance of official board business. In FY 2012, board member payroll costs totaled \$11,227. The Board expects travel costs for board members to increase in FY 2013 because the board members must travel further to fulfill their duties.

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 six full-time employees with an annual budget of \$584,925 in FY 2013. The Board receives no GRF moneys; it is entirely supported by fees.

### Appropriation Overview

The executive recommends funding of \$617,829 for FY 2014, a 5.6% increase from FY 2013 estimated expenditures and \$630,775 in FY 2015, a 2.1% increase from FY 2014. With the recommended funding, the Board expects to generally maintain current operations.

As a regulatory agency, personal services is the largest expense category for the Board. As seen from the chart below, 80% of the executive budget recommendations for the biennium are for personal services, 18% for supplies and maintenance, and 2% for purchased personal services.



As with many other licensing boards and commissions, the Board receives centralized administrative support services provided by 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 2012, the Board paid \$16,206 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 approves preceptorships. The preceptorship is for students in their final clinical phase of chiropractic school.

H.B. 1 of the 128th General Assembly changed the Board's three types of chiropractic licenses from an annual renewal to a biennial renewal. The previous fee was \$250 for annual renewal. The biennial renewal fee, which was effective April 2010, is \$500. The Board does not intend to increase license or certification fees in the FY 2014-FY 2015 biennium. Table 1 below shows the current fee amount for each type of license.

<b>Type</b>	<b>Fee Amount</b>
Chiropractic License (initial)	\$250
Chiropractic License (renewal)	\$500
Preceptorship	\$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. Twenty-seven 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 shows the Board's annual revenue and expenditures from FY 2009 through FY 2015 as well as the net of revenue less expenditures. As seen from the table, revenue increased significantly from FY 2009 to FY 2010, due to the implementation of a biennial license renewal in even-numbered years.

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013 (estimate)</b>	<b>FY 2014 (estimate)</b>	<b>FY 2015 (estimate)</b>
Revenue	\$615,950	\$1,191,266	\$44,696	\$1,242,049	\$47,220	\$1,267,000	\$48,000
Expenditures	\$569,632	\$493,516	\$534,140	\$555,051	\$584,925	\$617,829	\$630,775
Net of Rev. & Exp.	\$46,318	\$697,750	-\$489,444	\$686,998	-\$537,705	\$649,171	-\$582,775

## 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 2014	FY 2015
<b>General Services Fund Group</b>				
4K90	878609	Operating Expenses	\$617,829	\$630,775

Through this one line item, the Board pays all of its operating expenses. The executive recommends appropriations of \$617,829 in FY 2014, a 5.6% increase over FY 2013 estimated expenditures, and \$630,775 for FY 2015, a 2.1% increase from FY 2014. With the recommended funding, the Board expects to generally continue current operations.

### 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. 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 the number of active licenses and certificates in FY 2011 and FY 2012. Between those years, the number of active chiropractic licenses decreased 1.4%, from 2,559 to 2,523. The number of preceptorships increased from 15 to 21. The total number of active acupuncture certificates increased 9.6% from 115 to 126.

Table 4. Active Licenses and Certificates*			
Type	FY 2011	FY 2012	% Change
Chiropractic License	2,429	2,376	-2.1%
Preceptorship	15	21	40.0%
Acupuncture Certificate	115	126	9.6%
<b>Total</b>	<b>2,559</b>	<b>2,523</b>	<b>-1.4%</b>

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

Licenses and acupuncture certificates issued by the Board must be renewed biennially. Table 5 shows the number of licenses issued and renewed by the Board during FY 2012. The Board issued 99 new chiropractic licenses and renewed 2,368

chiropractic licenses. The Board issued the first acupuncture certificates for chiropractors in FY 2008. The Board issued 14 new acupuncture certificates and renewed 121 in FY 2012. Since the preceptorship is for students in their final clinical phase of chiropractic school, renewal is uncommon.

<b>Type</b>	<b>New</b>	<b>Renewal</b>	<b>Total</b>
Chiropractic License	99	2,368	2,467
Preceptorship	21	0	21
Acupuncture Certificate	14	121	135
<b>Total</b>	<b>134</b>	<b>2,489</b>	<b>2,623</b>

The Board currently utilizes the licensure, renewal, and online license verification components 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.

### **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 2012, the Board opened 70 cases, most commonly for treatment issues, telemarketing, and billing irregularities. The Board completed 110 investigations and entered into five 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 43 violation letters for first-time, minor, and advertising offenses.

The Board regularly works with law enforcement agencies statewide to investigate and prosecute misconduct by chiropractic physicians and unlicensed practices. Clinic inspections are conducted as part of investigations. Inspections are also conducted at random by board investigators to ensure compliance with the Board's laws and rules.

### **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 2012, two licensees successfully completed the program.

### **Continuing Education**

The Board requires 36 hours of continuing education (CE) for chiropractic license renewal. Chiropractors with an acupuncture certificate must complete 12 hours of acupuncture CE biennially for certificate renewal. A maximum of 12 hours may be obtained through electronic educational programs, journal publication, or seminars and conferences. The Board requires that 1.5 hours of CE cover the topic of ethics or professionalism. Each year, 10% of license renewal applications are selected for a CE audit.

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 list of seminars approved by the Board for CE is available on the Board's web site (<http://chirobd.ohio.gov>).

### **Cost Containment**

In the FY 2012-FY 2013 biennium, the Board took measures to reduce costs. The Board implemented an online jurisprudence exam, which saved the Board costs in travel and payroll to Board members and other associated costs with the exam administration. The Board downgraded one full-time investigator one pay range and ended a DAS Fleet Management vehicle lease.

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# State Chiropractic Board

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## General Services Fund Group

### 4K90 878609 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$492,492	\$520,356	\$555,051	\$584,925	<b>\$617,829</b>	<b>\$630,775</b>
	5.7%	6.7%	5.4%	<b>5.6%</b>	<b>2.1%</b>

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

**Legal Basis:** ORC 4734.54 and 4743.05; Section 239.10 of Am. Sub. H.B. 153 of the 129th 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 Chiropractic Board's operating expenses, including personal services, supplies, maintenance, and equipment. The Board issues licenses for chiropractors (as well as acupuncture certificates to qualified chiropractors), sets 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.

# FY 2014 - FY 2015 Introduced Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>CHR State Chiropractic Board</b>								
4K90	878609	Operating Expenses	\$ 555,051	\$ 584,925	\$ 617,829	5.63%	\$ 630,775	2.10%
<b>General Services Fund Group Total</b>			<b>\$ 555,051</b>	<b>\$ 584,925</b>	<b>\$ 617,829</b>	<b>5.63%</b>	<b>\$ 630,775</b>	<b>2.10%</b>
<b>State Chiropractic Board Total</b>			<b>\$ 555,051</b>	<b>\$ 584,925</b>	<b>\$ 617,829</b>	<b>5.63%</b>	<b>\$ 630,775</b>	<b>2.10%</b>