

LSC Redbook

Analysis of the Executive Budget Proposal

Respiratory Care Board

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February 2013

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 three 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. 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

- Non-GRF agency; funded by fee revenues
- Receives approximately \$1.1 million for biennium
- Approximately 8,500 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, rent, deliver, install, or lease life-sustaining or technologically sophisticated equipment to the public in Ohio. Over 8,500 licenses, limited permits, and certificates issued by the Board were active at the end of FY 2012.

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. In addition to travel reimbursement, board members are paid a per diem for the performance of official board business.

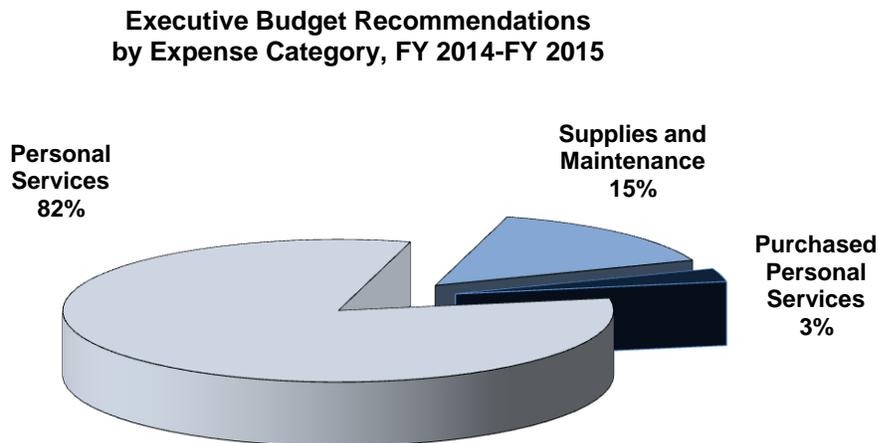
The Board's daily operations are the responsibility of an executive director who is appointed by the nine-member governing authority. Including the Executive Director, the Board has four full-time employees and one part-time employee and an annual budget of \$523,013 in FY 2013. The Board receives no GRF money; it is entirely supported by fees.

The Board's priorities for the FY 2014-FY 2015 biennium are issuing and renewing respiratory care and HME licenses and certificates of registration and investigating complaints.

Appropriation Overview

The executive recommends funding of \$547,576 in FY 2014, which is an increase of 4.7% over FY 2013 estimated expenditures of \$523,013. In FY 2015, the executive recommends funding of \$542,246, which represents a decrease of 1.0% from FY 2014.

As a regulatory agency, personal services is the largest expense category of the Board. As seen from the chart below, 82% of the executive budget recommendations for the biennium are for personal services, 15% for supplies and maintenance, and 3% 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 (DAS). 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. In FY 2012, the Board paid CSA \$16,723 for services rendered. Payments to CSA 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 nationally accredited facilities that offer qualifying home medical equipment, 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 renewed biennially.

License Type	Initial	Renewal
Respiratory Care Professional	\$75	\$100
Limited Permit – Student	\$20	\$10
Limited Permit - Employment	\$20	\$50
HME License	\$300	\$400
HME Certificate	\$150	\$300

The Board also inspects HME licensed facilities. Due to the nature of these inspections specialized knowledge is required, so the Board contracts for these inspections. The Board charges a fee of \$300 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. Twenty-seven 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 2008 to FY 2015, as well as the net of revenues less expenditures. 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. Expenditures have been rising for the Board due to increasing personal services and health care costs (e.g., staff opting to receive health insurance benefits that previously did not or staff changing coverage from single to family coverage). In addition, costs have also increased due to the biennial audit. The Board was audited in FY 2011, which was the first audit billed to the Board.¹ The Board will be audited again in FY 2013 and in FY 2015. The payments for the audits are largely incurred during the year the audits are conducted; however, the Board does receive audit billings in both years of the biennium. The cost for the FY 2011 audit was \$9,400. The FY 2013 audit is not complete yet, but based on fee increases, the Board anticipates the cost to be \$12,000 for this audit and \$12,000 for the audit scheduled to occur in FY 2015.

¹ S.B. 155 of the 128th General Assembly required all state agencies to pay for their own audits. 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 H.B. 1 of the 128th General Assembly.

Table 2. Revenues and Expenditures

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 (estimate)	FY 2014 (estimate)	FY 2015 (estimate)
Revenues	\$808,075	\$335,459	\$1,012,112	\$442,122	\$981,609	\$181,000	\$980,281	\$148,660
Expenditures	\$448,142	\$474,345	\$435,646	\$497,369	\$498,563	\$523,013	\$547,576	\$542,246
Net of Rev. & Exp.	\$359,933	-\$138,886	\$576,466	-\$55,247	\$483,046	-\$342,013	\$432,705	-\$393,586

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
General Services Fund Group				
4K90	872609	Operating Expenses	\$547,576	\$542,246

Through this one line item, the Board pays all of its operating expenses. The executive recommends funding of \$547,576 for FY 2014, which is an increase of 4.7% over FY 2013 estimated expenditures, and \$542,246 for FY 2015, a decrease of 1.0% from FY 2014. According to the Board, it will be able to maintain essential services with the funding provided. Additionally, the Board will consider changing the status of one part-time employee (currently budgeted at 0.8 full-time equivalents) to full-time. However, the Board anticipates that it may have to implement some cost-cutting measures, such as delaying some HME inspections. Licensed HME facilities are scheduled to be inspected once every four years, so the Board has implemented a four-year inspection schedule. In 2014, a new cycle begins, which generally results in a higher inspection load. However, based on the funding recommended, some of these inspections may be delayed. Other cost-cutting measures may also be considered.

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 or for individuals that were employed as a respiratory care provider prior to March 14, 1989. Additionally, the Board provides for the registration and certification of HMEs. From FY 2011 to FY 2012, the total number of active licenses and limited permits decreased 3.4%. However, the Board renews licenses biennially. As such, during odd years, the number of licenses will grow since initial licenses and permits are being added to the active licenses renewed the previous year.

Table 4. Active Licenses, FY 2011 and FY 2012			
License Type	FY 2011	FY 2012	% Change
Respiratory Care Professional	7,678	7,416	-3.4%
Limited (Student/Graduate)	219	225	2.7%
Limited (Employment based)	38	32	-15.8%
HME License	125	76	-39.2%
HME Certificate	740	755	2.0%
Total	8,800	8,504	-3.4%

Most licenses issued by the Board are required to be renewed every two years. However, limited permits are renewed every year. Table 5 below shows the number of licenses issued by the Board in FY 2012. Respiratory care professional license renewals represented the vast majority of the licenses issued.

Table 5. Licenses Issued in FY 2012		
License Type	Initial	Renewal
Respiratory Care Professional	444	6,694
Limited Permit	272	188
HME License	30	59
HME Certificate	184	625

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 the Department Administrative Services (DAS). 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. The system allows for initial licensure, renewal, image storing and indexing, and complaint tracking. The Board was charged \$2,251 in FY 2012 for the use and maintenance of the system.

Investigation and Enforcement Statistics

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, and impaired practitioners. In FY 2012, the Board received and investigated 73 respiratory care cases, which resulted in 11 formal disciplinary actions and nine pending hearings. Additionally, the Board received and investigated 18 home medical equipment cases that resulted in six disciplinary actions. No referrals were made to the prosecutor in FY 2012.

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: (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 (two 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.

Licensed HMEs are required to demonstrate that a plan has been created that provides continuing education for staff providing HME services. According to the Board's web site, the plan must require at least ten contact hours of continuing education per renewal cycle for HME staff. Of this, no more than five hours may be nonaccredited in-service education. The remaining hours are to include education related to the specific type and level of HME service provided. In addition, clinical and equipment maintenance staff are to complete one hour of continuing education on infection control, equipment cleaning and agents, and rotation of inventory and equipment separation.

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Respiratory Care Board

General Services Fund Group

4K90 872609 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$435,646	\$497,369	\$498,563	\$523,013	\$547,576	\$542,246
	14.2%	0.2%	4.9%	4.7%	-1.0%

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

Legal Basis: ORC 4761.02 and 4743.05; Section 377.10 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 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.

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
Report For Main Operating Appropriations Bill			Version: As Introduced					
RCB Respiratory Care Board								
4K90	872609	Operating Expenses	\$ 498,563	\$ 523,013	\$ 547,576	4.70%	\$ 542,246	-0.97%
General Services Fund Group Total			\$ 498,563	\$ 523,013	\$ 547,576	4.70%	\$ 542,246	-0.97%
Respiratory Care Board Total			\$ 498,563	\$ 523,013	\$ 547,576	4.70%	\$ 542,246	-0.97%