

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 2.8% in FY 2016 and by 2.3% in FY 2017
- Over 2,500 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 2,500 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 2015. In addition to travel reimbursement, Board members receive compensation for the performance of official Board business. In FY 2014, Board member payroll costs totaled \$10,042. Because Board member payroll includes travel reimbursement, total payroll depends in part on how far Board members must travel to fulfill their duties.

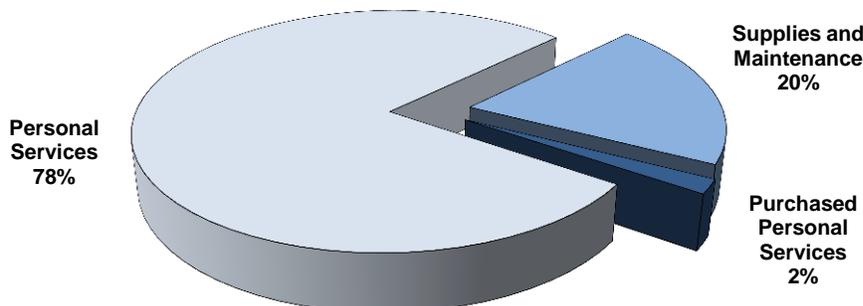
The Board's daily operations are the responsibility of an executive director who is appointed by the five-member governing authority. Including the Executive Director, the Board has six full-time employees with an annual budget of \$630,775 in FY 2015. The Board receives no GRF moneys; it is entirely supported by fees.

Appropriation Overview

The executive recommends funding of \$648,734 for FY 2016, a 2.8% increase from FY 2015 estimated expenditures and \$663,521 in FY 2017, a 2.3% increase from FY 2016. 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, 78% of the executive budget recommendations for the biennium are for personal services, 20% for supplies and maintenance, and 2% for purchased personal services.

Chart 1: Executive Budget Recommendations by Expense Category, FY 2016-FY 2017



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 2014, the Board paid \$15,667 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 2016-FY 2017 biennium. Table 1 below shows the current fee amount for each type of license.

Type	Fee Amount
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-six 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 2011 through FY 2017 as well as the net of revenue less expenditures. As seen from the table, revenue is substantially higher in even-numbered years due to the implementation of biennial license renewal. Additionally, costs have increased due to the biennial audit. The Board was audited in FY 2011, which was the first audit billed to the Board,¹ and in FY 2013. The Board will be audited again in FY 2015 and in FY 2017. 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 2013 audit was \$8,884. The Board expects to pay approximately \$13,550 in FY 2015.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 (estimate)	FY 2016 (estimate)	FY 2017 (estimate)
Revenue	\$44,696	\$1,242,049	\$42,815	\$1,242,205	\$48,000	\$1,245,507	\$49,493
Expenditures	\$537,808	\$555,051	\$545,011	\$597,601	\$630,775	\$648,734	\$663,521
Net of Rev. & Exp.	-\$493,112	\$686,998	-\$502,196	\$644,604	-\$582,775	\$596,773	-\$614,028

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.

ANALYSIS OF EXECUTIVE PROPOSAL

The Board's operations are funded by a single line item appropriation from the Dedicated Purpose Fund Group. The table below shows the Governor's recommended funding for the line item.

Governor's Recommended Funding for the Board				
Fund	ALI and Name		FY 2016	FY 2017
Dedicated Purpose Fund Group				
4K90	878609	Operating Expenses	\$648,734	\$663,521

Through this one line item, the Board pays all of its operating expenses. The executive recommends appropriations of \$648,734 in FY 2016, a 2.8% increase over FY 2015 estimated expenditures, and \$663,521 for FY 2017, a 2.3% increase from FY 2016. 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 3 shows the number of active licenses and certificates in FY 2013 and FY 2014. Between those years, the number of active chiropractic licenses decreased 3.6%, from 2,482 to 2,393. The number of preceptorships decreased from 17 to 16. The total number of active acupuncture certificates increased 1.4% from 142 to 144.

Table 3. Active Licenses and Certificates*			
Type	FY 2013	FY 2014	% Change
Chiropractic License	2,482	2,393	-3.6%
Preceptorship	17	16	-5.9%
Acupuncture Certificate	142	144	1.4%
TOTAL	2,641	2,553	-3.3%

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

Licenses and acupuncture certificates issued by the Board must be renewed biennially. Table 4 shows the number of licenses issued and renewed by the Board during FY 2014. The Board issued 64 new chiropractic licenses and renewed 2,383 chiropractic licenses. The Board issued the first acupuncture certificates for

chiropractors in FY 2008. The Board issued seven new acupuncture certificates and renewed 144 in FY 2014. Since the preceptorship is for students in their final clinical phase of chiropractic school, this license is nonrenewable.

Type	New	Renewal	Total
Chiropractic License	64	2,383	2,447
Preceptorship	16	0	16
Acupuncture Certificate	7	144	151
TOTAL	87	2,527	2,614

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. In the FY 2016-FY 2017 biennium, the Board plans on implementing eLicense 2 thereby transitioning to a paperless system. This system will allow online filing of license applications and license renewals as well as other self-service tools for customers.

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 2014, the Board opened 74 cases, most commonly for treatment issues, telemarketing, and billing irregularities. The Board completed 95 investigations and entered into nine 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 28 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 2014, one licensee 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 website (<http://chirobd.ohio.gov>).

Cost Containment

Over the past two biennia, 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. By implementing eLicense 2 in the upcoming biennium, the Board hopes to reduce costs in the long term by transitioning to a paperless system.

State Chiropractic Board

Dedicated Purpose Fund Group

4K90 878609 Operating Expenses

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$555,051	\$545,011	\$597,601	\$630,775	\$648,734	\$663,521
	-1.8%	9.6%	5.6%	2.8%	2.3%

Source: Dedicated Purpose 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 237.10 of Am. Sub. H.B. 59 of the 130th 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 2016 - FY 2017 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Estimate	Introduced	FY 2015 to FY 2016	Introduced	FY 2016 to FY 2017	
			FY 2014	FY 2015	FY 2016	% Change	FY 2017	% Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
CHR State Chiropractic Board								
4K90	878609	Operating Expenses	\$ 597,601	\$ 630,775	\$ 648,734	2.85%	\$ 663,521	2.28%
Dedicated Purpose Fund Group Total			\$ 597,601	\$ 630,775	\$ 648,734	2.85%	\$ 663,521	2.28%
State Chiropractic Board Total			\$ 597,601	\$ 630,775	\$ 648,734	2.85%	\$ 663,521	2.28%