

LSC Redbook

Analysis of the Executive Budget Proposal

**State Board of Orthotics,
Prosthetics, and Pedorthics**

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State Board of Orthotics, Prosthetics, and Pedorthics

- Non-GRF agency; funded by fee revenues
- Funding increased by 10.6% in FY 2016 and by 5.4% in FY 2017
- Approximately 400 active licenses

OVERVIEW

Agency Overview

The State Board of Orthotics, Prosthetics, and Pedorthics was established in 2002. The Board issues licenses for orthotists, prosthetists, and pedorthists and establishes standards for education, pre-professional training, and examination.¹ The Board also sets standards of practice, investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education among licensees. Approximately 400 licenses issued by the Board are currently active.

The Board's governing authority consists of seven members appointed by the Governor, including two dual licensed orthotist-prosthetists, an orthotist, a prosthetist, a pedorthist, a doctor licensed by the State Medical Board, and a consumer of orthotic or prosthetic goods and services. Members are appointed for three-year terms and may serve two consecutive terms. The Board meets about five times per year. The members serve without compensation but are reimbursed for expenses incurred in the performance of their official duties.

The Board's daily operations are the responsibility of an executive director appointed by the seven-member governing authority. Board staff consists of the Executive Director and a part-time office assistant. The Board's annual budget for FY 2015 is \$159,982. The Board receives no GRF moneys; it is supported entirely by fees.

¹ Orthotists are individuals who design, fabricate, and fit braces or other orthopedic appliances prescribed by physicians.

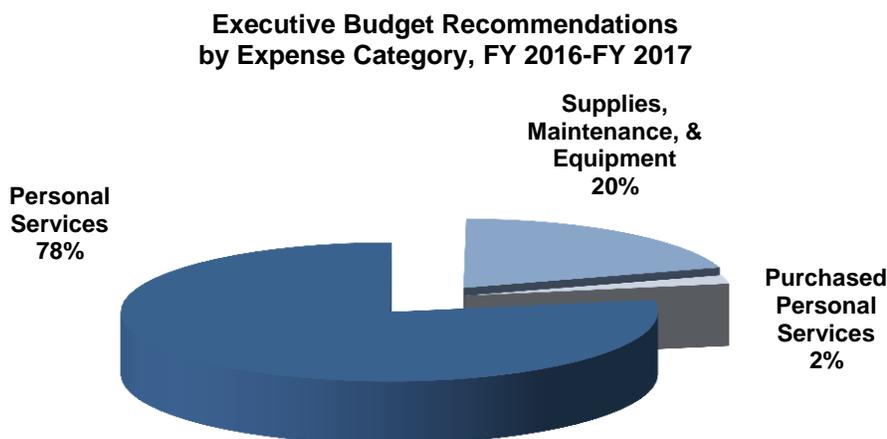
Prosthetists are individuals who fabricate and fit artificial limbs (prosthetics) and similar devices prescribed by physicians.

Pedorthists are individuals who fit appliances as prescribed for relief of painful or disabling conditions of the foot.

Appropriation Overview

The executive recommends funding of \$176,950 in FY 2016, a 10.6% increase over FY 2015 estimated expenditures, and \$186,438 in FY 2017, a 5.4% increase from FY 2016. Under the executive's proposal, the Board will be able to maintain its current operations and staffing level.

As a regulatory agency, personal services is the largest expense category for the Board. As seen in the chart below, 78% of the executive budget recommendations for the biennium are for personal services; 20% for supplies, maintenance, and equipment; and 2% 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 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 2014, the Board paid about \$4,545 in CSA charges. These payments are included in the supplies, maintenance, and equipment category.

Fee Revenues and Fund 4K90

The Board issues orthotist, prosthetist, pedorthist, and orthotist-prosthetist licenses and temporary licenses. Table 1 below shows the current fee amount for each type of license. Licenses issued by the Board are required to be renewed annually. Temporary licenses are issued for one year, and once expired may be reissued once. Application and license renewal fees have not changed since the Board began operations in FY 2002.

Table 1. License Fees	
License Type	Fee
Orthotist, Prosthetist, and Pedorthist	
Initial	\$125
Renewal	\$300
Temporary	\$150

Fee revenues collected by the Board are deposited into the Occupational Licensing and 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 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 below shows the Board's annual revenues and expenditures from FY 2011 through FY 2017 as well as the net of revenues less expenditures. As seen in the table, starting in FY 2012, expenditures have exceeded revenue. This is due to a relatively flat number of licensees, increased cost of DAS/IT services, increased payroll expenses, and the required biennial audit. In FY 2013-FY 2014, the Board paid \$8,962 in audit fees and has budgeted \$10,000 for its FY 2015-FY 2016 audit. In order to increase revenue, the Board is currently pursuing an update to its fee rule and is seeking legislative support to add an advanced pedorthist license while expanding the scope of the Board's regulatory authority to include orthotic fitters, therapeutic shoe fitters, and orthotic and prosthetic assistants.

Table 2. Revenues and Expenditures							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 (estimate)	FY 2016* (estimate)	FY 2017* (estimate)
Revenue	\$110,797	\$110,585	\$111,165	\$108,930	\$112,500	\$105,284	\$104,043
Expenditures	\$106,187	\$124,329	\$141,932	\$146,284	\$159,982	\$176,950	\$186,438
Net of Rev. & Exp.	\$4,610	-\$13,744	-\$30,767	-\$37,354	-\$47,482	-\$71,666	-\$82,395

*Revenue estimates for FY 2016-FY 2017 do not include proposed fee changes or additional licensees.

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	973609	Operating Expenses	\$176,950	\$186,438

Through this one line item, the Board pays all of its expenses. The executive recommends funding of \$176,950 in FY 2016, a 10.6% increase over FY 2015 estimated expenditures, and \$186,438 in FY 2017, a 5.4% increase from FY 2016. The executive recommendation will generally allow the Board to maintain its current operations and staffing level in the FY 2016-FY 2017 biennium.

Licenses

To carry out its regulatory responsibility, the Board establishes standards of practice and licenses qualified orthotists, prosthetists, and pedorthists who meet academic, pre-professional, and examination requirements. A temporary license is available for individuals who have completed their residency but have not yet taken or passed the required examination. Table 3 below shows the number of active licenses issued by the Board for FY 2014 compared to FY 2013. From FY 2013 to FY 2014, the total number of active licenses decreased by 2.5%.

Table 3. Active Licenses*			
License Type	FY 2013	FY 2014	% Change
Orthotist	86	82	-4.7%
Prosthetist	75	66	-12.0%
Pedorthist	114	110	-3.5%
Orthotist-Prosthetist	109	119	9.2%
Temporary	16	13	-18.8%
TOTAL	400	390	-2.5%

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

Licenses issued by the Board are required to be renewed annually and are valid from February 1 through January 31. Table 4 shows the number of licenses issued by the Board during FY 2014.

License Type	Initial	Renewal	Total
Orthotist	2	80	82
Prosthetist	2	64	66
Pedorthist	5	105	110
Orthotist-Prosthetist	4	115	119
Temporary	6	7	13
TOTAL	19	371	390

Currently, the Board utilizes the license verification component of the eLicensing system and added online license renewal service in FY 2011. 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 FY 2016, the Board hopes to add initial licensure and move all application processing online.

Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about incompetent, unethical, and impaired practitioners. All complaints to the Board must be submitted in writing. The complaints are then reviewed to determine whether the Board has the legal authority to take action. The Board received 22 new complaints in FY 2014. Of these, 15 were allegations of unlicensed practice and the remainder addressed standard of care, continuing education enforcement, or renewal self-report legal history questions that required Board review.

Continuing Education

The Board requires continuing education (CE) for license renewal. CE requirements differ depending upon the type of license, but all CE courses must be approved by the Board. Individuals licensed as orthotists or prosthetists are required to earn 45 CE units every three years. Individuals licensed as both an orthotist and a prosthetist must earn 75 CE units. Individuals licensed as a pedorthist are required to earn 33 CE units. CE units are accrued over a three-year period and are submitted to the Board every fourth year during license renewal. A list of approved programs and activities is posted on the Board's website (<http://www.opp.ohio.gov>).

Dedicated Purpose Fund Group

4K90 973609 Operating Expenses

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$114,204	\$141,932	\$146,284	\$159,982	\$176,950	\$186,438
	24.3%	3.1%	9.4%	10.6%	5.4%

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

Legal Basis: ORC 4743.05 and 4779.08(C); Section 345.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This line item is used to pay the State Board of Orthotics, Prosthetics, and Pedorthics' operating expenses, including personal services, supplies, maintenance, and equipment. The Board issues licenses for orthotists, prosthetists, and pedorthists and establishes standards for education, preprofessional training, and examination. The Board also sets standards of practice, investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, 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	FY 2017	% Change	
					% Change		% Change	
Report For Main Operating Appropriations Bill			Version: As Introduced					
OPP State Board of Orthotics, Prosthetics, and Pedorthics								
4K90	973609	Operating Expenses	\$ 146,284	\$ 159,982	\$ 176,950	10.61%	\$ 186,438	5.36%
Dedicated Purpose Fund Group Total			\$ 146,284	\$ 159,982	\$ 176,950	10.61%	\$ 186,438	5.36%
State Board of Orthotics, Prosthetics, and Pedorthics Total			\$ 146,284	\$ 159,982	\$ 176,950	10.61%	\$ 186,438	5.36%