

# Redbook

## LBO Analysis of Executive Budget Proposal

### State Medical Board of Ohio

Ryan Sherrock, Economist  
February 2023

#### TABLE OF CONTENTS

<b>Quick look</b> .....	<b>1</b>
<b>Agency overview</b> .....	<b>1</b>
Advisory committees/councils.....	2
<b>Analysis of FY 2024-FY 2025 budget proposal</b> .....	<b>2</b>
Executive recommendations by expense category .....	2
Operating revenues and expenses .....	3
Licensure .....	4
Online licensure and renewal .....	5
Investigation and enforcement .....	5
Continuing education.....	6
<b>FY 2022-FY 2023 highlights</b> .....	<b>6</b>
Interstate Medical Licensure Compact .....	6

# LBO Redbook

## State Medical Board of Ohio

---

### Quick look...

- The State Medical Board of Ohio licenses about 96,000 professionals and currently has 84 staff members.
- The Board is governed by 12 members appointed by the Governor with daily operations overseen by an executive director.
- The Board is fully supported by fees and receives no GRF funding.
- The Board estimates that the proposed funding will be sufficient to maintain current operations and staff.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
<b>Fund 5C60 ALI 883609, Operating Expenses</b>					
\$10,268,015	\$10,298,238	\$11,583,077	\$12,909,606	\$13,791,789	\$14,315,005
% change	0.3%	12.5%	11.5%	6.8%	3.8%

### Agency overview

The State Medical Board of Ohio was established in 1896. Originally responsible for licensing doctors of medicine, the Board’s responsibilities were expanded over the years to include doctors of podiatric medicine, cosmetic and massage therapists, doctors of osteopathic medicine, physician assistants, acupuncturists, anesthesiology assistants, radiologist assistants, genetic counselors, oriental medicine practitioners, dietitians, and respiratory care professionals.<sup>1</sup> The Board also regulates mechanotherapists and naprapaths licensed before March 1992. In addition, the Board establishes standards for education, pre-professional training, and examination. The Board also sets standards of practice for its licensees, investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education compliance among licensees. Approximately 96,000 licenses issued by the Board are active.

The Board’s governing authority consists of 12 members appointed by the Governor. The Board members include nine physicians (seven who hold a doctor of medicine degree, one who holds a doctor of podiatric medicine degree, and one who holds a doctor of osteopathic medicine degree) and three members who represent the interests of consumers. Two of these members must not be a member of, or associated with, a health care provider of profession, and one of the three members must be at least 60 years of age. Terms of office are for five years. In addition to travel reimbursement, board members receive compensation for the performance of official duties.

---

<sup>1</sup> H.B. 442 of the 133<sup>rd</sup> General Assembly eliminated the State Medical Board’s authority to regulate cosmetic therapists and oriental medicine practitioners effective April 12, 2021.

The Board’s daily operations are the responsibility of an executive director who is appointed by the 12-member governing authority. According to the Board, it currently has 84 staff members. The Board receives no GRF moneys; it is entirely supported by fees.

### Advisory committees/councils

The Board also has a number of advisory committees, councils, etc. For instance, the Board has the seven-member Physician Assistant Policy Committee (PAPC), appointed by the President of the State Medical Board, including three physicians, three physician assistants, one consumer representative, and, when PAPC is developing or revising policy and procedures for physician assistant prescriptive authority, one pharmacist. PAPC is designed to review education and licensing requirements, as well as existing and proposed rules pertaining to the practice of physician assistants. PAPC members are appointed to two-year terms and may serve no more than three consecutive terms. Members are reimbursed for necessary expenses incurred in the performance of official duties.

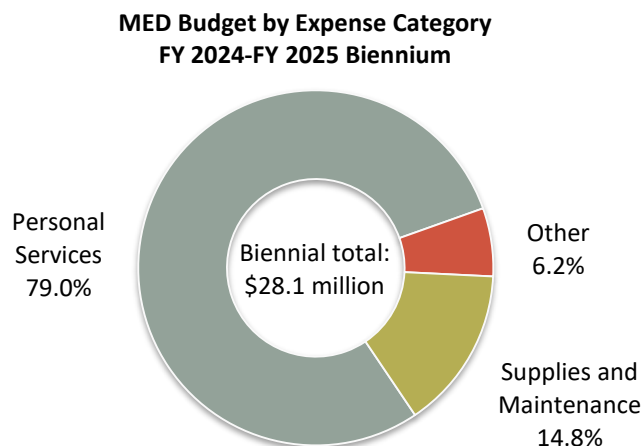
The Board also has the Massage Therapy Advisory Council, the Dietetics Advisory Council, and the Respiratory Care Advisory Council. These councils each consist of no more than seven individuals knowledgeable in applicable areas of expertise. Councils must meet at least four times each year. Members of the advisory councils are reimbursed for necessary expenses and advise on board policies and rules pertaining to each council’s area of expertise.

### Analysis of FY 2024-FY 2025 budget proposal

The Board’s operations are funded by a single appropriation item within Fund 5C60 – item 883609, Operating Expenses. The executive budget recommends \$13.8 million in FY 2024, an increase of 6.8% over FY 2023 estimated expenditures, and \$14.3 million in FY 2025, an increase of 3.8% over FY 2024. The Board estimates that the proposed funding will be sufficient to maintain current operations and staff.

### Executive recommendations by expense category

As a regulatory agency, personal services is the largest expense category of the Board. As seen from the chart below, 79.0% of the recommended funding for the biennium is for personal services and 14.8% is for supplies and maintenance. The remaining 6.2% is for other expenses, which includes purchased personal services and equipment.



## Operating revenues and expenses

Fee revenue collected by the Board is deposited into the State Medical Board Operating Fund (Fund 5C60). Fund 5C60 is the Board's 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, generating enough revenue to cover its expenses. The Board's annual revenues, expenditures, and transfers out from FY 2017 through FY 2022 are shown in Table 1. The net reflects the revenue minus both expenses and transfers out. Most of the transfers out appear to have been related to the development of the eLicensing system.

**Table 1. Revenues and Expenditures, FY 2017-FY 2022\***

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	\$9,772,230	\$11,045,850	\$10,042,278	\$10,445,012	\$11,986,209	\$13,201,978
Expenses	\$8,747,268	\$9,245,704	\$10,017,739	\$10,268,015	\$10,298,238	\$11,583,077
Transfers Out	\$1,488,258	\$1,114,680	\$8,600	\$0	\$0	\$0
Net	-\$463,296	\$685,466	\$15,939	\$176,997	\$1,687,971	\$1,618,901

\*The data comes from the Ohio Administrative Knowledge System (OAKS) and is from reports run on Fund 5C60.

The Board issues many different licenses and certificates. Licenses issued by the Board are generally for a two-year period. The fees for the Board's licenses are included in Table 2. The certificate to recommend under the Ohio Medical Marijuana Control Program is not included in this table as there are no fees for this certificate. The fee amounts are from the Board's website.

**Table 2. License Fees by Type**

License Type	Initial Fee	Renewal Fee
Doctor of Medicine, Osteopathy, or Podiatric Medicine*	\$305	\$305
Certificate of Conceded Eminence	\$1,000	\$1,000
Special Activity Certificate	\$125	N/A
Doctor Training Certificate	\$130	\$100
Physician Assistant	\$400	\$200
Anesthesiologist Assistant	\$100	\$100
Acupuncturist	\$100	\$100
Dietitian	\$225	\$180
Dietitian – Limited Permit	\$65	\$65
Massage Therapist	\$150	\$100
Respiratory Care	\$75	\$75
Respiratory Care – Limited Permit 1	\$20	\$10

License Type	Initial Fee	Renewal Fee
Respiratory Care – Limited Permit 2	N/A	\$35
Radiologist Assistant	\$200	\$200
Genetic Counselor	\$200	\$150
Mechanotherapist**	N/A	\$100
Naprapath**	N/A	\$100

\*Twenty dollars of each physician renewal goes to the Physician Loan Repayment Fund, which is administered by the Department of Health. The fund is used to provide loan assistance to physicians who practice in underserved areas.

\*\*The Board no longer licenses new mechanotherapists and naprapaths. The Board only renews these for those licensed prior to March 1992.

## Licensure

To carry out its regulatory responsibility, the Board establishes standards and licenses and certifies qualified medical practitioners. Table 3 below shows the Board's active licenses in FY 2020 through FY 2022.

License Type	FY 2020	FY 2021	Percent Change	FY 2022	Percent Change
Medical Doctor	44,130	47,009	6.5%	45,186	-3.9%
Doctor of Osteopathy	7,326	7,958	8.6%	7,903	-0.7%
Doctor of Podiatric Medicine	1,003	1,047	4.4%	988	-5.6%
Doctor of Medicine Training Certificate	6,727	7,237	7.6%	6,641	-8.2%
Doctor of Osteopathic Medicine Training Certificate	2,328	2,620	12.5%	2,384	-9.0%
Doctor of Podiatric Medicine Training Certificate	208	223	7.2%	186	-16.6%
Physician Assistant	4,340	4,908	13.1%	5,227	6.5%
Anesthesiologist Assistant	291	329	13.1%	356	8.2%
Radiologist Assistant	15	16	6.7%	17	6.3%
Respiratory Care Professional	8,884	9,295	4.6%	9,204	-1.0%
L1 – Limited Permit, Student/Graduate – Respiratory Care	337	444	31.8%	310	-30.2%

Table 3. Active Licenses by Type, FY 2020-FY 2022\*

License Type	FY 2020	FY 2021	Percent Change	FY 2022	Percent Change
L2 – Limited Permit, Employment Based – Respiratory Care	4	4	0.0%	2	-50.0%
Dietitian	4,701	5,020	6.8%	4,917	-2.1%
Dietitian Limited Permit	8	12	50.0%	19	58.3%
Massage Therapists	11,949	12,458	4.3%	11,428	-8.3%
Acupuncturist	233	323	38.6%	299	-7.4%
Genetic Counselor	423	529	25.1%	594	12.3%
Certificate to Recommend Medical Marijuana	654	667	2.0%	787	18.0%
Clinical Research Faculty Certificate	28	27	-3.6%	25	-7.4%
Conceded Eminence Certificate	21	24	14.3%	25	4.2%
Special Activity Certificate	5	4	-20.0%	0	-100.0%
License for Military Families	2	5	150.0%	19	280.0%
Mechanotherapy	8	9	12.5%	6	-33.3%
Naprapath	1	1	0.0%	1	0.0%
Cosmetic Therapists**	181	N/A	N/A	N/A	N/A
Oriental Medicine Practitioner**	67	N/A	N/A	N/A	N/A
<b>Total</b>	<b>93,874</b>	<b>100,169</b>	<b>6.7%</b>	<b>96,524</b>	<b>-3.6%</b>

\*All figures from LSC's Occupational Licensing and Regulatory Board Report.

\*\*H.B. 442 of the 133<sup>rd</sup> General Assembly eliminated the licensing of cosmetic therapists and oriental medicine practitioners effective April 12, 2021. According to the Board's FY 2022 Annual Report, existing oriental medicine practitioners were converted to acupuncturists.

## Online licensure and renewal

The Board utilizes the eLicensing system, which is administered by the Department of Administrative Services. In FY 2022, the Board paid \$449,997 for the eLicensing system and anticipates paying \$493,895 in FY 2023.

## Investigation and enforcement

The Board's regulatory obligations also include investigating complaints about violations of the Board's rules and laws. According to the Medical Board's Annual Report, in FY 2022, the Board received 6,365 new complaints. During FY 2022, a total of 6,568 complaints were closed. Of these, 2,804 were closed as the issue involved a profession not regulated by the Board or no further review

was necessary, 3,375 were closed after investigation, and the remaining 389 resulted in disciplinary action.<sup>2</sup>

## **Continuing education**

The Board requires continuing medical education (CME) hours for license renewals. The content requirement and number of credits needed vary by license type.

## **FY 2022-FY 2023 highlights**

### **Interstate Medical Licensure Compact**

S.B. 6 of the 134<sup>th</sup> General Assembly entered Ohio into the Interstate Medical Licensure Compact, which streamlines the licensing process for physicians who wish to practice in multiple states. A physician seeking licensure through the Compact is required to file an application for an expedited license with the medical licensing board of the physician's state of principal residence. That board must evaluate whether the physician is eligible for an expedited license and issue a letter of qualification to the Interstate Commission verifying or denying the eligibility.

MED/zg

---

<sup>2</sup> Some of these closed complaints were received prior to FY 2022.