

Redbook

LBO Analysis of Executive Budget Proposal

Ohio State Dental Board

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LBO Redbook

Ohio State Dental Board

Quick look...

- The Ohio State Dental Board licenses about 37,000 dentists, dental hygienists, and related professions with a staff of 11.
- The Board is governed by 13 members appointed by the Governor.
- As a regulatory agency, the Board is fully supported by fees and receives no GRF funding.
- No proposed fee changes for the FY 2020-FY 2021 biennium.
- Executive budget recommendations total approximately \$4.1 million over the biennium.
 - Increase in the proposed budget will be used for increased costs of the eLicensing system, payroll, and other Board expenses.
 - Uses of the budget: 72% for personal services, 24% for supplies and maintenance, and 4% for the other category, which includes purchased personal services and equipment.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4K90 ALI 880609, Operating Expenses					
\$1,552,239	\$1,507,730	\$1,597,994	\$1,830,082	\$2,000,804	\$2,124,251
% change	-2.9%	6.0%	14.5%	9.3%	6.2%

Agency overview

The State Dental Board was established in 1892. The Board issues licenses to dentists and dental hygienists and assistants. The Board also issues a variety of certificates and permits related to the practice of dentistry. The Board sets standards for training, ethics, and the practice of dentistry and dental hygiene. The Board investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education compliance among its licensees and certificate holders.

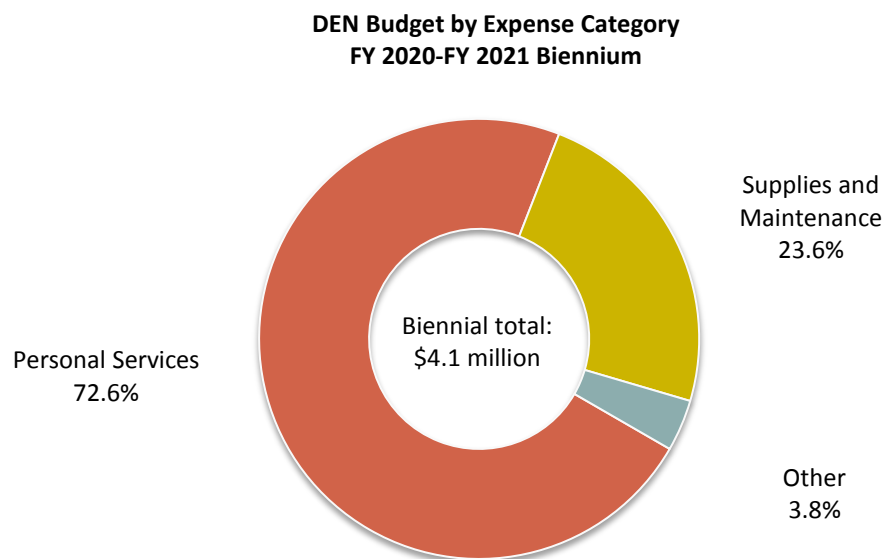
The Board's governing authority consists of 13 members appointed by the Governor, including nine dentists, three dental hygienists, and one public member. Members are appointed to four-year terms and may serve two terms. The Board meets at least eight times per year. In addition to travel reimbursement, 11 Board members receive annual compensation of about \$1,250 for Board meeting attendance. The remaining two Board members supervise investigations and each receive approximately \$10,000 each year. The Board's daily operations are the responsibility of an executive director who is appointed by the 13-member governing authority. Including the Executive Director, the Board currently has 11 employees.

Analysis of FY 2020-FY 2021 budget proposal

The Board's operations are funded by a single line item appropriation from the Dedicated Purpose Fund Group. Through this one line item, the Board pays all of its expenses. The budget provides approximately \$2.0 million in FY 2020, a 9.3% increase over FY 2019 estimated expenditures and \$2.1 million in FY 2021, a 6.2% increase over FY 2020. According to the Executive Director, this will allow the Board to maintain service levels over the biennium and maintain current staff. The increase in funds will be used for the increased costs of the eLicensing system, bank transaction fees for online license payments, and payroll. Funding will also support costs related to Board membership, such as travel reimbursement and per diems. In the past, the Board experienced a few vacancies. However, all Board member seats are currently filled; thus the Board may experience an increase in such expenses.

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, approximately 72.6% of the proposed budget for the biennium is for personal services, 23.6% for supplies and maintenance, and 3.8% for the other category, which includes purchased personal services, equipment, transfers, and nonexpense.



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 2018, the Board paid \$41,788 in CSA charges.

Operating revenues and expenses

The Board issues several types of licenses and certificates. Table 1 below shows the current fees for licenses and certificates. In addition to those shown in the table, the Board issues several types of limited licenses and licenses for graduates of unaccredited dental colleges located outside the United States. Licenses issued by the Board are required to be renewed biennially. Dentists and hygienists are required to renew licenses by January 1 of each even-numbered year, while dental assistant radiographers are required to renew by January 1 of each odd-numbered year.

Table 1. License Fees by Type	
License Type	Fee
Dentists	
Initial License (odd-numbered years)	\$267
Initial License (even-numbered years)	\$454
General Anesthesia Permit*	\$127
Conscious Sedation Permit*	\$127
Oral Health Access Supervision Permit**	\$25
Limited Resident License	\$13
Limited Teaching License	\$127
Temporary Limited Continuing Education License	\$127
Renewal of Temporary Limited Continuing Education	\$94
Dental Hygienists	
Initial License (odd-numbered years)	\$120
Initial License (even-numbered years)	\$184
License Renewal	\$144
Oral Health Access Supervision Permit**	\$25
Limited Teaching Certificate	\$73
Dental Assistant Radiographers**	\$32
Expanded Function Dental Auxiliary**	\$25
Coronal Polishing Certificate*	\$19

*These permits and certificates are renewed biennially; there is no fee for renewal.

**Initial and renewal fees are the same.

A portion of licensure fee revenue received from dentists is transferred to the Ohio Department of Health (ODH) for the Dentist Loan Repayment Fund. For initial licenses issued in even-numbered years and renewals, \$40 is transferred, and for licenses issued in odd-numbered years, \$20 is transferred. The Dentist Loan Repayment Program, administered

by ODH, reimburses dental students for all or part of tuition, room and board, and other educational expenses. In order to participate, students must go through an application process and agree to provide services in dental health resource shortage areas upon graduation from an accredited dental college. H.B. 463 of the 130th General Assembly established a similar program for dental hygienists. Of the license renewal fees for dental hygienists, \$10 is transferred to ODH for the Dental Hygienist Loan Repayment Program.

The remainder of the fee revenues collected by the Board are deposited into the Occupational Licensing Regulatory Fund (Fund 4K90) to support the Board's operating costs. Many occupational licensing and regulatory boards and commissions, including the State Dental Board, use the fund 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 revenues and expenditures each year from FY 2013 through FY 2018, as well as the net of revenues less expenditures. As seen in the table, the Board's revenues exceed expenditures in even-numbered years. This trend corresponds with the Board's license renewal cycle; revenues are greater during the years when dentists and hygienists renew since their renewal fees are higher.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenue	\$547,673	\$2,743,239	\$565,919	\$2,779,298	\$552,040	\$3,374,809
Expenses	\$1,483,593	\$1,370,858	\$1,430,349	\$1,552,239	\$1,507,730	\$1,597,994
Net	-\$935,920	\$1,372,381	-\$864,430	\$1,227,059	-\$955,690	\$1,776,815

H.B. 49 of the 132nd General Assembly increased the amount charged for each license that the Board issues, including renewals, reinstatements, etc. The Board estimates that since the increase in fees became effective, the Board has realized an increase in revenue of approximately \$595,500.

Licensure

To carry out its regulatory responsibility, the Board establishes standards of practice and licenses and certifies qualified dental practitioners. As seen in Table 3 below, from FY 2017 to FY 2018, the total number of active licenses and certificates issued by the Board increased 5.3%.

Table 3. Active Licenses by Type, FY 2016-FY 2018

License Type	FY 2016	FY 2017	Percent Change	FY 2018	Percent Change
Dentists	7,088	7,404	4.5%	7,113	-3.9%
Dental Hygienists	8,377	8,720	4.1%	8,411	-3.5%
Dental Assistant Radiographers	16,031	14,421	-10.0%	16,436	14.0%
Limited Licenses*	408	270	-33.8%	374	38.5%
Expanded Function Dental Auxiliary	2,221	2,441	9.9%	2,614	7.1%
Coronal Polishing Certificate	1,609	1,784	10.9%	1,957	9.7%
Oral Health Access Supervision Permits – Hygienist	98	105	7.1%	95	-9.5%
Oral Health Access Supervision Permits – Dentist	31	44	41.9%	39	-11.4%
Total	35,863	35,189	-1.9%	37,039	5.3%

*Includes Limited Residents, Limited Teaching, and Limited Continuing Education licenses.

Licenses issued by the Board are required to be renewed every two years, except for limited licenses, which are valid for a specific period depending on the license. The Board has a staggered renewal cycle with dentist and hygienist licenses expiring on December 31 of each odd-numbered year and dental assistant radiographer licenses expiring on December 31 of each even-numbered year.

The Board currently uses the eLicensing system, which allows licensees to apply for renewal online and pay the fee by credit card. The eLicensing system is administered through CSA. All participating licensing boards share the cost of the system. The Dental Board expects an increase in costs for improvements to the eLicensing system in the upcoming biennium.

Oral Health Access Supervision Program

The Oral Health Access Supervision Program allows a dentist to authorize a dental hygienist to provide dental hygiene services in certain facilities, such as hospitals, schools, clinics, correctional institutions, and nursing homes, when no dentist is present, provided that the dentist and dental hygienist qualify for the program and certain conditions are met. Each program participant must pay a \$25 application and biennial renewal fee. In FY 2018, there were 39 dentists and 95 dental hygienists participating in this program.

Investigations and enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, or impaired practitioners. In 2010, the position of vice-secretary of the Board was created, as well as a supervisory investigative panel, made up of the secretary and vice-secretary, to oversee all investigations conducted by the Board. Furthermore, the Board contracts with three hearing examiners to oversee all of the Board's hearings and deliberations.

The most common complaint has been for standards of care. Of the 427 complaints received in FY 2018, 259 (61%) involved standards of care. That year, the Board entered into 33 consent agreements, suspended eight licenses, and accepted four voluntary license surrenders/retirements. The Board issued 17 warning letters to notify licensees that the Board had concerns regarding their practice behavior.

The Board is responsible for ensuring that infection control standards are being maintained in dental offices. Such standards include the appropriate use of hand washing, disinfection and sterilization of equipment, handling and disposal of needles or other sharp instruments, and wearing and disposal of gloves and other protective garments and devices. Infection control evaluations are done if a complaint has been filed and may also be conducted randomly at certain times.

Quality Intervention Program

The Board was the first dental board in the nation to implement a Quality Intervention Program (QUIP). QUIP allows the Board, with the assistance of a panel of experts, to address those cases the Board secretary believes involve licensees who engage in minor violations of the accepted standards of care for the profession. QUIP provides early intervention and remedial education services (at the licensee's expense), monitors the remediation process, and provides a means to efficiently review and follow up on complaints. Success is measured by documentation demonstrating that the licensee's skills are improved and that the licensee can safely and competently treat dental consumers. Since its inception in FY 2004, 70 dental practitioners have been referred to QUIP, 38 have participated, 25 have successfully completed, and ten were removed for violations of the participation agreement. The program does not have any current participants.

Continuing education

The Board requires continuing education (CE) for license renewal. CE consists of activities designed to review existing concepts and techniques, to convey information beyond basic dental education, and to update knowledge on advances in scientific and clinical practice-related subject matter. Requirements vary by license. Table 5 shows the number of CE hours required every two years for license renewal.

License Type	Hours
Dentist	40
Dental Hygienists	24
Dental Assistant Radiographers	2