

TESTIMONY BEFORE THE OHIO FINANCE SUBCOMMITTEE ON AGRICULTURE, DEVELOPMENT, AND NATURAL RESOURCES

FISCAL YEARS 2018 & 19 BUDGET RECOMMENDATIONS

INTRODUCTION:

Chairman Thompson and respected members of the House subcommittee, my name is Theresa Stir and, as the Executive Director, I am representing the Ohio Veterinary Medical Licensing Board. I am appearing before this committee to request the appropriation as submitted to the Ohio House for the proposed Fiscal Years 2018 and 2019 executive budget for the Ohio Veterinary Medical Licensing Board (hereafter “Board”). The budget as proposed contains core funding that will allow the Board to meet its legislative mandates, which include licensing veterinarians and registering veterinary technicians, issuing veterinary business facility permits, investigating complaints against licensees, completing random compliance inspections, establishing continuing education requirements for veterinarians and registered veterinary technicians and promulgating rules.

THE PRACTICE OF VETERINARY MEDICINE AND LICENSING:

Veterinary medicine is an old and respected profession. Veterinarians practice in all areas from small companion animal practice to large animal and livestock practice to exotic animal practice to board certified specialties that parallel human medicine. Registered veterinary technicians are the equivalent of nurses in the field of veterinary medicine. Registered veterinary technicians hold a degree in animal health technology from an approved college. A registered technician may administer drugs, including anesthesia, apply wound dressings, casts and splints, suture skin incisions, and perform dental prophylaxis.

The Board’s mission is to regulate the practice of veterinary medicine by licensing qualified applicants, acting on complaints that are filed with the Board, and monitoring continuing education for licensees and registrants. The Board’s fiscal objectives are to efficiently and cost-effectively provide timely, professional service to licensees, registrants and the public.

If the current requested funding is accepted in this Budget Bill, the Board will proceed with pursuing initial license applications through an online process as well as a document management system. I would like to applaud the Governor and General Assembly for their encouragement and support provided to the boards and commissions in improving technological capabilities.

PERFORMANCE:

Fiscal: The Board is **self-sustained** fiscally through licensure fees. In FY 15 & 16, the Board generated \$1,045,303.00 in revenue. \$40,260.00 was transferred to the Veterinary Student Loan

Fund (5BU0). The Board was allotted \$384, 923 in FY16 and \$396,369 for FY17. In FY16, the Board had \$109,914 in operating expenses and \$234,149 in payroll expenses. As a result in the increase provided in FY17, the Board is on target to have completed compliance inspections of approximately 70% of the total veterinary facilities known. It is anticipated that all will have been inspected at least once by the end of FY18, a year earlier than anticipated. The cycle will then begin anew.

Veterinary Student Loan Repayment Program: HB 458 of the 126th General Assembly created a veterinary loan program to address current and future shortages of veterinarians in large animal and regulatory public health situations in Ohio. Loan repayment grants can be up to \$20,000 for a two year commitment of service. Pursuant to Section 4741.17(A)(7) ORC, the Board has deposited \$40,260 to the Veterinary Student Loan Repayment Fund (ALI 888-602) to reflect \$10.00 from each veterinary license renewal from July 1, 2015 to June 30, 2016. In 2016, the Board issued two awards of \$10,000 to veterinarians, one practicing in Tiffin, Ohio and one practicing in Sugarcreek. Each award was for a one year service commitment.

Licensure: The Board is currently responsible for the licensure requirements of 4135 veterinarians, 3782 registered veterinary technicians, 152 limited licensed veterinarians (whose practice is limited to an academic institution, governmental laboratory, or performing a residency in veterinary medicine), 120 Specialty licenses and 72 business facility licenses. The number of licensees varies slightly from year to year as indicated here:

<u>RVTs:</u>		<u>Veterinarians:</u>	
FY12 New: 245	Total: 2876	FY12 New: 127	Total: 4041
FY13 New: 399	Total: 3036	FY13 New: 236	Total: 4255
FY14 New: 331	Total: 3420	FY14 New: 237	Total: 4035
FY15 New: 316	Total: 3384	FY15 New: 245	Total: 4494
FY16 New: 358	Total: 3782	FY16 New: 233	Total: 4135

Once an application is complete (usually when the criminal background check is received from BCII) the Board staff issues the license within 24-48 hours.

Complaint & Disciplinary Process:

During FY 16, the Board received 114 complaints. The Board collected \$6,000 in Fines as a result of discipline.

Summary of Board Disciplinary Actions In FY 2016

Retired license in lieu of discipline	3
Adjudication Orders issued	1
Settlement Agreements Entered	14
Referrals to Prosecutor and/or other state agencies	6
Advisory Letters	31
On site investigations as a result of a written complaint	12
Compliance Inspections	257
30 day follow up letters to compliance inspections	23
No Jurisdiction of the subject matter	13

The Board contracts with the Ohio Department of Agriculture for investigations of complaints. Once the Board reviews a complaint and medical records, they will determine if the complaint warrants an actual on-site investigation. The Board members will direct the investigator what information they need that is germane to the complaint filed. The Board has found this arrangement very satisfactory. The Board estimates that it saves \$65,000 in payroll costs and \$12,000 for the lease of a vehicle. It is anticipated that costs for the Ohio Department of Agriculture's services will increase next fiscal year as the costs have been stagnate the past two biennia.

Upon receipt of a complaint, the complainant is notified in writing of the Board complaint process and the file number issued to the complaint so they can follow the disciplinary process in the Board minutes which are posted on the web site. Once a discipline is issued by the Board, it is entered into a national databank for other state regulatory agencies of veterinary medicine, flagged in the state e-licensing system, and entered onto the Board's web site. The majority of complaints were for allegations of substandard medical/surgical veterinary care, which requires an investigation. The costs for sending responses, investigative costs and disciplinary/hearing costs have remained steady. There appears to be an increased expectation by pet owners that veterinary medicine operate in the same fashion as human medicine, especially regarding medical records and prescriptions. Additionally, the Board receives a significant number of complaints for which the Board does not have statutory authority such as veterinary fees charged to the consumer, boarding issues or grooming issues.

In settling the complaints, the Board saved approximately \$54,000 in Adjudication hearing costs. This is an area that is variable in the Board budget and therefore, the Board tends to be more conservative with expenditures in the event that an Adjudication is warranted.

Investigations are performed as a result of a written complaint to the Board and the need by Board members for more information not gleaned from the medical records, radiographs or narratives submitted. An investigation will focus on the complaint. For instance, if the complaint is that the veterinarian is allowing unlicensed individuals to administer intravenous medications, the investigator will check medical records, the controlled substance logs and interview the staff. Compliance inspections are performed as a physical inspection of a veterinary hospital/clinic after a letter has been sent to the owner of the veterinary facility giving them five-day' notice as required by Section 4741.26 ORC. The investigator will also look at the drug stock to determine if there are expired drugs comingled with the current drugs and the review of the controlled substance logs.

The Board determined that they would like to increase the number of compliance inspections performed as permitted within the allotted budget. There are approximately 800 veterinary facilities in Ohio. It is unknown the exact number because the Board does not license veterinary facilities owned by veterinarians. However, the Board's goal for FY16 was to perform at a minimum 100 to 125 additional random compliance inspections in addition to the inspections requested as a result of a written complaint. In FY 15, there were 50 compliance inspections performed. In FY16, there were 257 random compliance inspections performed. There were 20 correction letters issued and 5 re-inspections performed as a result of deficiencies discovered

during the inspection. There was one Notice of Opportunity for a Hearing issued as a result of deficiencies noted in the second compliance inspection.

At the March 11, 2015 Board meeting, the Board passed a motion to deem American Animal Hospital Association (AAHA) accredited veterinary facilities as appropriately inspected and therefore not subject to another compliance inspection unless the Board receives a written complaint against that facility. There are 115 veterinary facilities that are AAHA accredited in the State of Ohio.

Operational Expenses

The Board, like all other licensing boards and commissions, is paying more for services provided by other state agencies. The Board pays DAS for the services of the Central Services Agency for fiscal and HR support. IT and rent costs have increased. It is anticipated that the costs for the Ohio Department of Agriculture's services will increase as the costs established in the Memorandum of Understanding have been stagnate the past two biennia cycles.

The Board contracts with DAS OIT for computer services. The Board approved the migration to 365 software as suggested by DAS OIT in an assessment performed in November, 2015 and was implemented in March, 2016.

The Board has been fiscally-conscious in attempting to stay within the budget parameters. The Board currently operates with a staff of two full-time employees and one part-time employee. It is anticipated that the Board's payroll expenses will increase as two employees are eligible for step increases. The Board is subject to the impact of increased health care benefits and costs, PERS contribution rates and other changes that affect payroll spending. The Board staff hand-processes all license applications. The Board responds to all inquiries within a twenty-four period, processes complaints, assigns compliance inspections and prepares all materials for the monthly board meetings as well as any follow-up. The Board operates extremely efficiently with its current staff.

The Board consists of 7 members who meet on a monthly basis. There are 7 Board Members by law appointed to serve on the Board. The Board has allotted in this budget for payroll and travel expenses based on 7 members serving during the fiscal year.

The Board has made a concerted effort to remain as fiscally responsible as possible and has worked to decrease its operating budget and streamline its operations in the past biennia.

Examples of efforts include:

- Board members have attended the national conference at their own expense.
- The Board staff have not incurred overtime, even during a heavy renewal period.
- The Board produces an annual newsletter which was sent via an email listserve and posted on the board's website.
- Office supplies have been kept to a minimum and no new office furniture/equipment has been purchased during the biennium. Board documents are being maintained through the record retention schedule process in file cabinets however a document management system is being considered in conjunction with the new DAS E-Licensing System.

- All public records requests, complaint information, etc. are encouraged to be submitted and fulfilled by electronic means if possible.
- The Board has worked diligently to negotiate disciplinary cases towards a Settlement Agreement in order to avoid a costly 119 Adjudication. The Board was able to negotiate all but one disciplinary case in FY16.

Priorities for FY18-19

- 1) To participate in the new State E-Licensing program for Licensure and Renewal of applicants in the practice of veterinary medicine in the State of Ohio. Thus all initial and renewal of licenses will be completed on-line.
- 2) To continue to provide fiscally sound, efficient services to the public and licensees.
- 3) To increase the number of compliance inspections of veterinary facilities performed each year.
- 4) To cooperatively work with the Ohio Board of Pharmacy regarding pharmacy regulations impacting and violations identified in the practice of veterinary medicine.

On behalf of the Ohio Veterinary Medical Licensing Board, I would like to thank the members of this Subcommittee of the House Finance for the opportunity to present the board's comments on the proposed FY 2018 and FY 2019 budget. If you have additional questions or concerns, please contact me at 614-644-9040 or Theresa.stir@ovmlb.state.oh.us