

# Redbook

## LBO Analysis of Executive Budget Proposal

### State Medical Board of Ohio

Ryan Sherrock, Economist  
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# LBO Redbook

## State Medical Board of Ohio

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### Quick look...

- The State Medical Board of Ohio licenses about 86,000 professionals with a current staff of 76 full-time employees.
- The Board is governed by 12 members appointed by the Governor with daily operations overseen by an executive director.
- In 2018, the Board became responsible for licensing dietitians and respiratory care professionals.
- The Board is fully supported by fees and receives no GRF funding.
- There are no proposed fee changes for the FY 2020-FY 2021 biennium.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
<b>Fund 5C60 ALI 883609, Operating Expenses</b>					
\$9,401,520	\$8,747,268	\$9,245,334	\$10,341,000	\$10,862,471	\$11,302,171
% change	-7.0%	5.7%	11.9%	5.0%	4.0%

### 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 to include doctors of podiatric medicine (1915), cosmetic and massage therapists (1916), doctors of osteopathic medicine (1944), physician assistants (1976), acupuncturists and anesthesiology assistants (2000), radiologist assistants (2009), genetic counselors (2012), and oriental medicine (2012). The Board also regulates mechanotherapists and naprapaths licensed before March 1992. On January 21, 2018, the Board began regulating dietitians and respiratory care professionals, which had previously been regulated by the former Ohio Board of Dietetics and Ohio Respiratory Care Board, respectively. In addition, the Board establishes standards for education, preprofessional 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. Over 86,000 licenses issued by the Board are currently 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 public members. Members are appointed for five-year terms and may be reappointed. In addition to travel reimbursement, board members receive compensation for the performance of official duties.

The Board also 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 the Committee is developing or revising policy and procedures for physician assistant prescriptive authority, one pharmacist. The Committee is designed to review education and licensing requirements for physician assistants. Committee members are appointed to two-year terms and may serve no more than three consecutive terms. PAPC members are reimbursed for necessary expenses incurred in the performance of official duties.

As part of acquiring responsibility for dietetics and respiratory care licensure, the Board was required to create the Dietetics Advisory Council and the Respiratory Care Advisory Council. The Dietetics Advisory Council consists of no more than seven individuals knowledgeable in the area of dietetics. One member must be an educator with a doctoral degree and another is a public member. The Respiratory Care Advisory Council also consists of no more than seven individuals knowledgeable in the area of respiratory care. One member must be a physician who is also a member of the State Medical Board, one must be a physician with experience in pulmonary disease, and one must be a public member. Members of both Advisory Councils are reimbursed for necessary expenses and advise on board policies and rules pertaining to each Council's area of expertise.

The Board's daily operations are the responsibility of an executive director who is appointed by the 12-member governing authority. Including the Executive Director, the Board has 76 full-time employees. According to the Board, it is in the process of filling four positions. The Board receives no GRF moneys; it is entirely supported by fees.

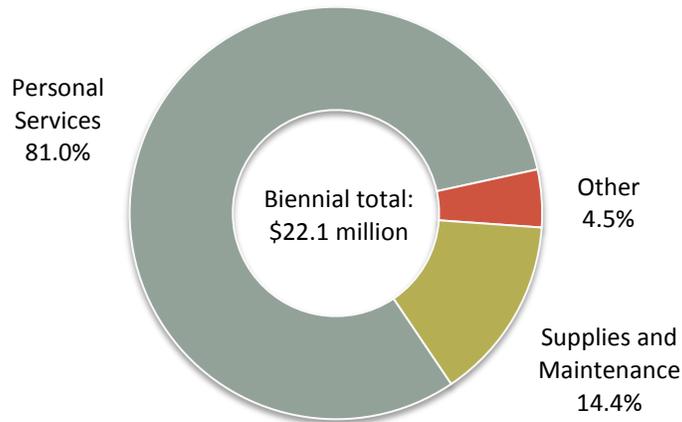
## **Analysis of FY 2020-FY 2021 budget proposal**

The Board's operations are funded by a single appropriation item within Fund 5C60 – item 883609, Operating Expenses. The executive budget recommends \$10.8 million in FY 2020, an increase of 5.0% over FY 2019 estimated expenditures, and \$11.3 million in FY 2021, an increase of 4.0% over FY 2020.

### **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, 81.0% of the recommended funding for the biennium is for personal services and 14.4% is for supplies and maintenance. The remaining 4.5% is for other expenses, primarily purchased personal services and equipment.

**MED Budget by Expense Category  
FY 2020-FY 2021 Biennium**



### 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 2013 through FY 2018 are shown in Table 1. The net reflects the revenue minus both expenses and transfers out. The Board’s revenue has exceeded expenses for four of the six fiscal years. The transfers out since FY 2016 have been for development of the eLicensing system. In FY 2016, the Board paid a one-time payment of about \$962,000 for eLicense enhancements.<sup>1</sup> Hence, the amount expended in that year is higher than previous years.

**Table 1. Revenues and Expenditures, FY 2013-FY 2018**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018*
Revenue	\$8,235,756	\$9,271,941	\$8,796,521	\$9,768,381	\$9,772,230	\$11,045,850
Expenses	\$8,089,940	\$8,144,383	\$8,010,905	\$9,401,520	\$8,747,268	\$9,245,335
Transfers Out	\$117,700	\$0	\$124,177	\$517,166	\$1,488,258	\$1,114,680
Net	\$28,116	\$1,127,558	\$661,439	-\$150,305	-\$463,296	\$685,835

\*Does not include any revenues in a holding account at the end of the fiscal year.

The Board issues many different licenses and certificates. The vast majority of licenses issued by the Board must be renewed biennially. However, the Board has a staggered renewal cycle based on the last name of the practitioner for some of the licensees. Some licenses, such

<sup>1</sup> The Board paid other amounts for the eLicensing system for Medical Board-specific modules. FY 2016 is provided due to the high amount.

as for physician assistants, must be renewed by January 31 of even-numbered years. 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.

<b>License Type</b>	<b>Initial Fee</b>	<b>Renewal Fee</b>
Doctor of Medicine, Osteopathy, or Podiatric Medicine*	\$305	\$305
Telemedicine Certificate	\$305	\$305
Clinical Research Faculty Certificate	\$375	\$375
Clinical Professional Development Certificate	\$375	N/A
Certificate of Conceded Eminence	\$1,000	\$1,000
Special Activity Certificate	\$125	NA
Doctor Training Certificate	\$130	\$100
Physician Assistant	\$500	\$200
Anesthesiologist Assistant	\$100	\$100
Acupuncturist	\$100	\$100
Dietitian	\$225	\$180
Cosmetic Therapy	\$250	\$100
Massage Therapist	\$150	\$100
Oriental Medicine	\$100	\$100
Respiratory Care	\$75	\$75
Respiratory Care – Limited Permit 1	\$20	\$10
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 2017 and FY 2018. Licenses and certificates issued by the Board are required to be renewed every two years, on varying cycles. For example, doctors renew based on the licensee's last name and physician assistants renew their licenses by January 31 in even-numbered years.

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

License Type	FY 2016	FY 2017*	Percent Change	FY 2018	Percent Change
Medical Doctor	40,665	41,533	2.1%	42,265	1.8%
Massage Therapists	11,560	11,947	3.3%	12,090	1.2%
Doctor of Osteopathy	6,164	6,430	4.3%	6,676	3.8%
Doctor of Medicine Training Certificate	3,594	3,989	11.0%	4,589	15.0%
Physician Assistant	2,720	3,506	28.9%	3,706	5.7%
Doctor of Osteopathic Medicine Training Certificate	1,107	1,162	8.5%	1,409	21.3%
Doctor of Podiatric Medicine	969	977	0.8%	956	-2.1%
Genetic Counselor	221	265	19.9%	288	8.7%
Anesthesiologist Assistant	241	262	8.7%	249	-5.0%
Acupuncturist	242	243	0.4%	226	-7.0%
Cosmetic Therapists	183	177	-3.3%	169	-4.5%
Telemedicine	134	157	17.2%	167	6.4%
Doctor of Podiatric Medicine Training Certificate	96	93	-3.1%	148	59.1%
Oriental Medicine Practitioner	32	41	28.1%	47	14.6%
Clinical Research Faculty Certificate	28	29	3.6%	28	-3.4%
Radiologist Assistant	14	15	7.1%	16	6.7%
Mechanotherapist	15	14	-6.7%	11	-21.4%
Conceded Eminence Certificate	8	10	25.0%	10	0%
Special Activity Certificate	17	5	-70.6%	25	400.0%
Naprapath	1	1	0%	1	0%
Clinical Professional Development Certificate	0	1	N/A	1	0%
Physician's Assistant Certificate to Prescribe**	2,073	0	-100%	0	N/A
Physician's Assistant Provisional Certificate to Prescribe**	250	0	-100%	0	N/A

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

License Type	FY 2016	FY 2017*	Percent Change	FY 2018	Percent Change
Dietitian**	4,161	4,248	2.1%	4,275	0.6%
Dietitian Limited Permit***	38	46	21.1%	23	-50.0%
Respiratory Care Professional***	8,527	8,166	-4.2%	8,633	5.7%
L1 – Limited Permit, Student/Graduate – Respiratory Care***	283	337	19.1%	375	11.3%
L2 – Limited Permit, Employment Based – Respiratory Care***	13	13	0.0%	8	-38.5%
<b>Total</b>	<b>83,356</b>	<b>83,667</b>	<b>0.4%</b>	<b>86,391</b>	<b>3.3%</b>

\*This does not include eight Hyperbaric Technologist licenses that were issued under the Ohio Respiratory Care Board. These are discontinued.

\*\*S.B. 110 of the 131<sup>st</sup> General Assembly eliminated the requirement that a physician assistant who seeks prescriptive authority obtain a certificate to prescribe. Instead, prescriptive authority may be delegated to a physician assistant that has a prescriber number issued by the Board. Prescriber numbers are issued to eligible applicants as part of a physician assistant license.

\*\*\*These licenses were regulated by the Ohio Board of Dietetics or the Respiratory Care Board until January 21, 2018. They are shown under the State Medical Board of Ohio in FY 2016 and FY 2017 for context.

## Online licensure and renewal

The Board utilizes the eLicensing system. This component allows licensees to apply for renewal online and to pay the renewal fee with a credit card. The eLicensing system is administered through the Department of Administrative Services. Each board that participates in the eLicensing system is charged a fee for usage.

## Investigation and enforcement

The Board's regulatory obligations also include investigating complaints about violations of the Board's rules and laws. The Board has the legal authority to investigate complaints that allege a violation of the Medical Practices Act and the rules adopted pursuant to it. In FY 2018, the Board received 5,553 new complaints. During FY 2018, 2,700 were closed as the issue involved a profession not regulated by the Board, 2,822 were closed after investigation (no Board action warranted), and the remaining 261 resulted in disciplinary action.<sup>2</sup>

## Standards review and Quality Intervention Program

The Quality Intervention Program (QIP) was implemented in 1996; it is a confidential investigatory process. The mission of QIP 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. If the intervention is successful, the licensee should benefit by improving their practice patterns and the standard of care available to their patients. During FY 2018, the program staff reviewed 576 complaints. It closed 413 complaints after review and referred 113 licensees to remedial education.

<sup>2</sup> Some of these complaints were received prior to FY 2018.

## 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.