



The Ohio Veterinary Medical Licensing Board

77 South High Street, 16th Floor, Columbus, Ohio 43215-6108



TESTIMONY BEFORE THE SENATE MEDICAID COMMITTEE ON HB 64

FISCAL YEARS 2016 & 17 BUDGET RECOMMENDATIONS

INTRODUCTION:

Chairman Burke and respected members of the Senate committee, 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 seek additional funding for the proposed Fiscal Years 2016 and 2017 budget for the Ohio Veterinary Medical Licensing Board (hereafter "Board").

The executive and House passed budget provides an additional \$8754 for FY16 compared to FY14 (which is the year the Board gets audited at a cost of \$12,000) and an additional \$20,500 for FY17 compared to FY15.

The budget as proposed contains minimal 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 and registrants, establishing continuing education requirements for veterinarians and registered veterinary technicians and promulgating rules. What it does not do is allow the Board to institute a regular compliance inspection program of veterinary facilities. The Board has been under much scrutiny lately from the media and legislators as to how the Board is inspecting the veterinary facilities. The Board has established short term and long term goals in its attempt to regularly inspect veterinary facilities, but is unable to meet those goals without an increase in the appropriation of funds that the Board generates as revenue. Additionally, the Board needs the ability to automatically suspend a licensee who is considered, by clear and convincing evidence, to be an immediate threat to the public if permitted to continue to practice.

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.

The Board has improved customer service through the use of e-mail and the Internet. All of the Board's forms, minutes, meeting Agendas, meeting dates and board member information are posted on the agency's website. The Board is committed to updating the posted information monthly so that consumers and licensees can receive current information. This past year, the Board staff developed a listserve so that newsletters and updated information can be sent to interested licensees and parties. In FY15, the Board began requiring all renewals to occur online, except in limited circumstances. The online renewal has reduced the amount of paper submitted to the office, and more importantly, the handling of checks. However, every online renewal is assessed a fee by the processor of the credit card. This has been another increase in the Board's expenses. If the current requested funding is accepted in this Budget Bill, the Board will proceed with pursuing initial license applications through an online process.

PERFORMANCE:

Fiscal: The Board is **self-sustained** fiscally through licensure fees, late fines and miscellaneous sources. In FY13 and FY 14, the Board generated \$1,049,890 in revenue. In those same fiscal years, the Board was allotted \$319,857 for FY13 and \$337, 432 for FY14 for operation costs. The remaining \$352,311.35 was deposited in the Occupational licensing and regulatory fund (4K90 Fund) and \$39,360 was appropriated to the Veterinary Student Loan Fund (5BU0). The Board had \$112,185 in operating expenses and \$225,242 in payroll expenses in FY 14.

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 \$39,360 to the Veterinary Student Loan Repayment Fund (ALI 888-602) to reflect \$10.00 from each veterinary license renewal from July 1, 2013 to June 30, 2014. In 2014, the Board issued three awards of \$8300 each for a one year service commitment.

Licensure: The Board is currently responsible for the licensure requirements of 4035 veterinarians, 3420 registered veterinary technicians, 144 limited licensed veterinarians (whose practice is limited to an academic institution, governmental laboratory, or performing a residency in veterinary medicine), 120 Specialty licenses and 58 business facility licenses. The number of licensees varies slightly from year to year as indicated here:

RVTs:

FY12 New:	245	Total:	2876
FY13 New:	399	Total:	3036
FY14 New:	331	Total:	3420

Veterinarians:

FY12 New:	127	Total:	4041
FY13 New:	236	Total:	4255
FY14 New:	237	Total:	4035

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

Through legislation, the Board is attempting to remove an extra hurdle that the new graduate must go through in order to take the national veterinary examination required for licensure in the State of Ohio. Currently the Board members approve the applicant for examination through an application and \$50 fee process. The applicant must also apply with the National Board of Veterinary Medical Examiners (NBVME). Once the individual takes the examination, the scores are then tabulated and sent to the Ohio Board for distribution. This step could be eliminated if the applicant can receive their scores directly from the NBVME. Therefore, the individual candidate can access NBVME's database for their results which is quicker and more efficient. Since the current process requires a \$50 fee for the NAVLE applicant, the initial license fee is reduced by \$50. Once the Board eliminates that step, all applicants will have the same requirements, therefore, the initial license fee should be the same whether they hold a license in another state or are obtaining their first in Ohio. Ohio is only one of three states in the United States that still pre-approves the NAVLE candidates.

Additionally through the Budget Bill, the Board is seeking to increase the ability for a foreign veterinary graduate to obtain a license in Ohio by recognizing the American Association of Veterinary Board's accrediting examination called the Program for the Assessment of Veterinary Education Equivalence (PAVE). Both legislative actions will enable all qualified veterinary candidates to obtain a license to practice veterinary medicine in the State of Ohio more efficiently and thus will increase revenue for the Board. The current statute (ORC 4741.11 and 4741.12) prohibits a qualified applicant who has passed the PAVE from applying for licensure in the State of Ohio.

Complaint & Disciplinary Process:

During FY 14, the Board received 126 complaints. The Board collected \$32,214 in Fines as a result of discipline.

Summary of Board Disciplinary Actions In FY 2014

Retired license in lieu of discipline	1
Adjudication Orders issued	1
Settlement Agreements Entered	34
Cease & Desist Letters issued	9
Referrals to Prosecutor and/or other state agencies	7
Advisory Letters	16
On site investigations as a result of a written complaint	16
Compliance Inspections (includes random)	22
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.

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 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 over 700 veterinary facilities in Ohio. It is unknown the exact number because the Board does not license veterinary facilities owned by veterinarians. The Board would like at a minimum to be able to perform 100 to 125 additional random compliance inspections in addition to the inspections requested as a result of a written complaint. In FY14, the average cost of a compliance inspection was \$206.35. The average cost of an investigation as a result of a complaint was \$970.00.

Without the Board's input, two legislative bills were introduced in this past General Assembly which would require a specific number of compliance inspections to be performed, among other mandates. The Board would prefer to implement its plan with the increased funding request through the Budget bill rather than being mandated through another piece of legislation without funding. Providing the Board with the additional \$20,000 per fiscal year will enable the Board to accomplish its goal.

Additionally, the Board has no authority to automatically suspend a licensee who is deemed, by clear and convincing evidence, to be an immediate threat to the public. As an example, the

Board has been working with the Board of Pharmacy and local prosecutors on a case of a veterinarian recently indicted for trafficking drugs. This case has been two years in investigation. Meanwhile the veterinarian could practice veterinary medicine as the Board did not have statutory authority to suspend his license. Nor does the Board have authority to suspend a license for the more serious felonies such as murder or aggravated assault. The Board is requesting legislative language (attached) to be amended into the Budget Bill to quickly address the situation.

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 Central Services for fiscal and HR support. Rent costs increased **57%** from FY13(\$10,022) to FY14 (\$15,687). Another 15% increase in rent occurred in FY15 (\$17,926).

The Board pays DAS for computer technical support, e-licensing usage and maintenance, and entered into the ‘shared services’ arrangement. The cost for the utilization of the current E-Licensing system along with transitioning into the new E-licensing system is unknown yet. We are being told that it will be a significant increase. It is difficult to budget for “a significant increase”, but I believe, the Board has attempted to be fiscally conservative while meeting the Board’s operational needs with its request for an increase in allotment of the Board generated revenue.

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. 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.

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 consists of 7 members who meet on a monthly basis. The Board has allotted in this budget for payroll and travel expenses based on 7 members serving during the fiscal year. During the past fiscal year, there has been an empty seat on the Board.

Lastly, the Auditor of State conducts biennial audits of state agencies and to charge those agencies for their services which has had a marked impact on this small Board. The Board paid \$11, 146 for the FY13 & 14 audit.

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 bienniums. Examples of efforts include:

- The Board produces an annual newsletter which is sent via an email listserve and posted on the board's website.
- 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 FY14.

In an effort to keep costs down, the Board prints licenses in house rather than paying to have them printed. In addition to contracting with the Ohio Department of Agriculture for investigatory services, the Board contracts with Central Services Agency, a division of the Department of Administrative Services, for OAKS fiscal and human resource assistance. The Board is always looking for ways to increase savings and efficiency while still meeting the mission of the Board. However, the Board is no different than any other agency in that we are subject to the impact of increased costs of health care benefits, PERS contribution rates and other changes that affect payroll spending and operations.

SUMMARY:

In FY 01 the appropriation to the Board was \$452,823. Even with the current increases recommended in this budget proposal, the Board's appropriations are still well below their level of fifteen years ago. The Board has not had an increase in veterinary fees in over 15 years. As a result, the compliance inspections have received lower and lower priority as the Board concentrates on investigating active complaints and meeting its fiscal responsibilities.

The Board is requesting an additional \$20,000 to the proposed amounts of \$352, 195 for FY16 and \$358,195 for FY17. This increase in appropriation for the Ohio Veterinary Medical Licensing Board, will permit the continuance of the Board's current operations as well as expanding the on-line application process and implementation of a schedule of compliance inspections for veterinary facilities in the State of Ohio. The recommended \$30,000 for each Fiscal year for the Veterinary Student Loan Fund is sufficient to permit the Board members to continue to award student loan grants for veterinary services in recognized large animal veterinarian-shortage areas of the State of Ohio.

On behalf of the Ohio Veterinary Medical Licensing Board, I would like to thank the members of this Senate Committee for the opportunity to present the board's comments on the proposed FY 2016 and FY 2017 budget. If you have additional questions or concerns, please contact me at 614-644-9040 or Theresa.stir@ovmlb.state.oh.us

Summarization of Budget Request for the Ohio Veterinary Medical Licensing Board FY16 & 17

Request for an additional \$20,000 appropriation in operating budget for each FY (16 & 17) which is generated from Board's licensure fees—NOT GRF funds.

- The Board has approximately 7657 licensees with 2 FT and 1 part-time staff. The Board contracts with the Ohio Department of Agriculture for investigative and inspection services at a great savings to the Board (estimated \$65,000 in payroll and \$12,000 for the lease of a vehicle).
- The Board generated \$1,049,890 in revenue for FY13 & 14
- The Board was allotted \$657,289 in FY13 & FY14.
- This current budget proposal provides an additional \$8,754 for FY 16 (compared to FY14). The Board gets audited in FY16 which costs approximately \$12,000. HB 64 will provide an additional \$20,500 in FY17. Even the additional \$20,500 for FY17 is not enough to implement a compliance inspection program of inspecting 150 veterinary facilities per year (An additional 125)
 - Average cost of compliance inspection in FY14 = \$206.35
 - Average cost of an onsite investigation in FY14 = \$970.00
 - There are over **700** veterinary hospital/clinics in the State of Ohio
 - In FY 14, the Board inspected 22 veterinary facilities. The Board is on track for 36 inspections in FY15 operating within the current budget amount.
 - In FY14, the Board performed 16 on site investigations as a result of a written complaint.
 - A compliance inspection entails inspecting the physical environment of a veterinary hospital/clinic, drug stock, and controlled substance logs.
 - An investigation will focus on what is germane to the complaint filed (i.e. if allowing unlicensed individuals to perform dental hygiene on animals, the investigator will interview the staff)
- Rent increased 57% in FY14 (\$15,687) from FY13 (\$10,022) and an additional 15% in FY15 (\$17,926). State licensing software expected to increase “significantly” according to DAS. It is difficult to budget for an unknown.

Request for legislative language which would permit the Board to automatically suspend a license based on clear and convincing evidence that the licensee is an immediate threat to the public if permitted to continue to practice veterinary medicine. (See attached language)

4741.222 Summary suspension without a hearing - automatic suspensions.

(A) When there is clear and convincing evidence that continued practice by an individual licensed under this chapter presents a danger of immediate and serious harm to the public, as determined on consideration of the evidence by the executive director of the veterinary medical licensing board, the board members shall review the allegations and vote on an immediate suspension without a hearing by telephone conference call or at a board meeting. Immediately following the decision to impose a summary suspension, the board shall issue a written order of suspension and cause it to be delivered by certified mail or in person in accordance with section 119.07 of the Revised Code. The summary suspension shall remain in effect, unless reversed by the board, until a final adjudication order issued by the board pursuant to this section and Chapter 119. of the Revised Code becomes effective. The board shall issue its final adjudication order within ninety days after completion of the adjudication. If the board does not issue a final order within the ninety-day period, the summary suspension shall be void, but any final adjudication order issued subsequent to the ninety-day period shall not be affected.

(B) The license or registration issued to an individual under this chapter is automatically suspended on that individual's conviction of, plea of guilty to, or judicial finding with regard to any of the following: aggravated murder, murder, voluntary manslaughter, felonious assault, kidnapping, rape, sexual battery, gross sexual imposition, aggravated arson, aggravated robbery, or aggravated burglary. The suspension shall remain in effect from the date of the conviction, plea, or finding until an adjudication is held under Chapter 119. of the Revised Code. If the board has knowledge that an automatic suspension has occurred, it shall notify the individual subject to the suspension. If the individual is notified and either fails to request an adjudication within the time periods established by Chapter 119. of the Revised Code or fails to participate in the adjudication, the board shall enter a final order permanently revoking the person's license or certificate.