

MA.01.04
Health Occupation Boards
 Department of Health and Mental Hygiene

Operating Budget Data

(\$ in Thousands)

	FY 01	FY 02	FY 03		% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$165	\$156	\$161	\$5	3.3%
Special Fund	15,509	15,265	17,949	2,684	17.6%
Reimbursable Fund	<u>175</u>	<u>215</u>	<u>202</u>	<u>(13)</u>	<u>(6.1%)</u>
Total Funds	\$15,849	\$15,635	\$18,311	\$2,676	17.1%

- 81% of the \$2.67 million increase in the fiscal 2003 allowance over the fiscal 2002 working appropriation is in personnel expenses.
- The largest single increase in the fiscal 2003 allowance is the \$1.018 million difference between fiscal 2002 and 2003 cost containment and turnover expectancy.

Personnel Data

	FY 01	FY 02	FY 03	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	196.00	199.00	205.00	6.00
Contractual FTEs	<u>12.58</u>	<u>9.87</u>	<u>18.26</u>	<u>8.39</u>
Total Personnel	208.58	208.87	223.26	14.39

Vacancy Data: Regular Positions

Budgeted Turnover: FY 03	11.64	5.68%
Positions Vacant as of 12/31/01	23.20	11.1%

- The fiscal 2003 allowance contains \$366,969 in expenditures to add 8.39 new contractual employees.
- The fiscal 2003 allowance provides \$271,000 for six new regular employees.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Issues

Some Boards Are Not Maintaining the Appropriate Fund Balances: The 2000 Joint Chairmen's Report directed the commission and ten of the boards to develop target fund balances; however, six of the other seven boards developed target fund balances as well. Six units are projected to end fiscal 2002 with their fund balances below target. **Therefore the Department of Legislative Services (DLS) recommends that each unit that has consistently maintained a fund balance below its target or is projected to be below target in fiscal 2002 and 2003 formulate an action plan to bring their fund balance in line with the target amount. Furthermore, DLS recommends that any board with a fund balance no more than 10% greater than its target assess its plan to insure an adequate balance can be maintained.**

Allowance Does Not Coincide with Spending Plans: In addition to developing a target fund balance, 16 of the boards and the commission also developed a spending plan through fiscal 2004. In the face of the current economic situation, it is vital that each board and the commission's expenditures not exceed their spending plan amount. The allowance for 11 of the boards and the commission exceeds their spending plans by more than 5%. **Therefore, DLS recommends that these 11 boards and the commission have their fiscal 2003 allowance reduced to be more in line with the spending plan.**

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete one administration officer position that has been vacant for 30 months.	\$ 26,049	0.5
2. Delete one position that has been vacant for 18 months.	36,836	1.0
3. Delete two 0.5 positions that have been vacant for 50 months each.	43,064	1.0
4. Delete one office secretary position that has been vacant for 22 months.	33,158	1.0
5. Delete one staff attorney position that has been vacant for 15 months.	54,446	1.0
6. Delete 8.39 contractual positions.	366,969	
7. Delete six new positions.	271,856	6.0
8. Reduce the allowance for 11 health boards and the commission to be in line with the Department of Health and Mental Hygiene spending plan	558,605	
9. Delete one program manager position that has been vacant for more than 12 months.	31,971	0.5

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10.	Delete one health occupations investigator position that has been vacant for 18 months.	38,871	1.0
11.	Delete 0.5 position that has been vacant for 50 months	27,384	0.5
12.	Delete one fiscal accounts supervisor position that has been vacant more than one year.	41,048	1.0
	Total Reductions	\$ 1,530,257	13.5

Updates

Sunset Reviews Continue in the Department: Five boards underwent a full sunset review, and six boards underwent a preliminary evaluation during the 2002 interim.

Sunsets Scheduled for 2003: Two boards are scheduled for full sunset evaluations, and two are scheduled for preliminary evaluations.

Commission on Nursing Crisis: Chapters 257 and 258, Acts of 2000 established a commission to study the State's nursing shortage. The law requires the commission to submit a report on January 1 of each year through 2006. As of January 17, 2002, the commission has yet to submit a report.

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Department of Health and Mental Hygiene

Operating Budget Analysis

Program Description

Under the Office of the Secretary, there are 17 boards that regulate health professionals. These boards license and certify health professionals, resolve consumer complaints, and assist in establishing parameters for each profession through regulation. In addition to the boards, there is the Commission of Kidney Disease, which monitors the compliance of dialysis facilities to federal and State regulations.

Adjustments to the Fiscal 2002 Budget

Because of worsening economic conditions, State agencies were required to take cost containment actions for fiscal 2002. As a result, the boards and the commission absorbed an approximate \$1 million increase in their turnover expectancy rate. This equates to the department needing approximately 36 vacant positions, or a 17.6% vacancy rate. The vacancy rate for the health boards and the commission on December 31, 2001, was 11.1%. Since it is unlikely that the health boards will achieve the necessary vacancy rate, it is expected that they will submit a budget amendment to fund filled position that are expected to be vacant.

The department should discuss how it intends to achieve this significant increase in its vacancy rate by the end of fiscal 2002 and whether it expects to submit a budget amendment.

Fund Transfers

There are two fund balance transfers contingent on legislation that will affect fiscal 2002. One will transfer \$300,000 from the special funds of the health boards and the commission to the general fund, and the other will transfer \$400,000 specifically from the Board of Nursing special fund to the general fund.

Exhibit 1 presents each board and the commission's expected fund balance for fiscal 2002 and 2003 and the projected distribution of the fund transfers.

The department should be prepared to explain how these transfers will affect operations and financing plans.

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Exhibit 1

Expected Fund Balances							
<u>Board/Commission</u>	<u>FY 2003 Allowance</u>	<u>Avg. Est. Fund Balance FY 01 - 02</u>	<u>Avg. Est. Fund Balance FY 02 - 03</u>	<u>Expected Growth in Fund Balance</u>	<u>Projected Fund Transfer</u>	<u>Fund Balancer After Transfer</u>	<u>Fund Balance As % of Allowance After Transfer</u>
Board of Physician Quality Assurance	\$6,162,749	\$759,536	\$682,049	(\$77,487)			
Acupuncturists	193,850	100,854	17,485	(83,369)			
Dietetic Practice	125,189	2,047	22,799	20,752			
Quality Assurance Professional	344,968	143,879	348,938	205,059	89,329	259,609	75.26%
Chiropractic	565,015	98,536	263,124	164,588	15,014	248,110	43.91%
Dental Examiners	1,432,647	331,290	117,628	(213,662)			
Electrologists	50,835	11,782	(23,282)	(35,064)			
Morticians	358,641	79,852	106,771	26,919			
Occupational	316,006	169,366	90,602	(78,764)			
Optometry	225,680	201,515	289,894	88,379	49,260	240,634	106.63%
Pharmacy	1,120,689	334,382	724,462	390,080			
Physical Therapy	689,200	240,308	330,278	89,970	21,224	309,054	44.84%
Podiatry	202,710	55,500	6,908	(48,592)			
Psychology	482,191	167,414	198,167	30,753	38,310	159,857	33.15%
Social Work	683,404	51,990	488,388	436,398			
AUD/HAD/SLP**	272,034	254,586	109,306-	(145,280)	26,175	83,131	30.56%
Kidney Disease	190,383	210,441	132,720	(77,721)	60,688	72,032	37.84%
Total		\$3,213,27	\$3,906,23	\$692,960	\$300,000		
Nursing*	\$4,532,565	\$880,733	\$1,190,23	\$309,505	\$400,000	\$790,238	17.43%

*All boards, with the exception of Nursing have developed spending plans and target fund balances through fiscal 2004. Nursing has been singled out for a separate transfer from its fund.

**Board of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists.

Source: Department of Legislative Services

Governor's Proposed Budget

As **Exhibit 2** shows, a majority of the increase in the budget of the health boards and the commission consists of personnel costs. The allowance provides a total of six new regular positions and 8.39 contractual

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positions. The new regular positions are listed in **Exhibit 3**.

Exhibit 2

**Governor's Proposed Budget
Health Occupation Boards
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
2002 Working Appropriation	\$156	\$15,265	\$0	\$215	\$15,636
2003 Governor's Allowance	161	17,949	0	202	18,312
Amount Change	\$5	\$2,684	\$0	(\$13)	\$2,676
Percent Change	3.2%	17.6%	0.0%	(6.0)%	17.1%
Where It Goes:					
Personnel Expenses					
New positions (6)					\$272
Net fiscal 2003 cost containment					1,018
Health insurance					161
Turnover expectancy reduced					145
Annualize fiscal 2002 general salary increase					168
Retirement					136
Fiscal 2003 increment					102
Other adjustments					173
Total Personnel				\$2,175	
Other Changes					
New contractual positions (8.39)					366
Telephone					69
Software acquisition and maintenance					81
Rent					40
Administrative hearings					(56)
Other adjustments					1
Total					\$2,676

Note: Numbers may not sum to total due to rounding.

Exhibit 3

New Regular Positions in the Fiscal 2002 Allowance

<u>FTE*</u>	<u>Board</u>	<u>Reason</u>
2.00	Nursing	consultant and legal work
2.00	Pharmacy	clerical
1.00	Chiropractors	investigator
1.00	Physical Therapy	athletic trainer licensing program
Total	6.00	

*full-time equivalent

Source: Department of Health and Mental Hygiene

- **Board of Nursing (2):** Two positions are included in the fiscal 2003 allowance for the State Board of Nursing. A computer specialist is included to provide support to the commission established during the 2000 session by Chapter 257 which is studying the crisis in nursing. A staff attorney is also included for the Board of Nursing to assist in handling litigation, investigation, and other legal duties.
- **Board of Pharmacy (2):** Two positions are included in the fiscal 2003 allowance for the State Board of Pharmacy. An office secretary is included to provide general secretarial duties and administrative support to the executive director. An office services clerk is included to provide clerical support to the licensing unit. This position had previously existed, but the PIN was borrowed and eventually reassigned to another function.
- **Board of Physical Therapy (1):** The fiscal 2003 allowance includes an administrative officer position for the State Board of Physical Therapy Examiners to administer the athletic trainers licensing program.
- **Board of Chiropractors (1):** The fiscal 2003 allowance includes a health occupation investigator position for the State of Board of Chiropractic Examiners to assist in enforcement and regulatory compliance of certified massage therapists.

The fiscal 2003 allowance contains 8.39 contractual positions such as law clerks, office secretaries, administrative specialists, and administrative officers. Most of these positions provide support to multiple boards and consequently their costs are shared.

Performance Analysis: Managing for Results

As directed by the 2000 *Joint Chairmen's Report*, the health boards and the commission track the timeliness with which they process licenses and complaints. **Exhibit 4** shows this information for most of the boards and the commission. Last year's budget analysis suggested that the boards and the commission also include the number of licensees and complaints in their Managing for Results (MFR) plan. Several of the boards are now doing this and a sample is included as shown in Exhibit 4.

There are, however, some gaps in the information contained in the MFR plans. The boards are somewhat inconsistent about what they provide and some still do not provide even the most basic information. There are several "n/a" entries in Exhibit 4 denoting information that was not provided by DHMH.

Overall, the health boards and commission provide significant information in its MFR plan, but it would be more useful both as a management tool and as an information vehicle for the legislature if DHMH would provide certain benchmarks with which to compare these figures. Trends and stand alone statistics mean little by themselves. DHMH should provide either comparable industry standards or comparison statistics from surrounding states so that the MFR figures can be placed in context. Information regarding the complaint resolution process would be particularly useful as a management tool.

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Exhibit 4

**Program Measurement Data
Health Occupation Boards
Fiscal 1999 through 2003**

	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Actual 2001</u>	<u>Est. 2002</u>	<u>Est. 2003</u>	<u>Ann. Chg. 99-01</u>	<u>Ann. Chg. 01-03</u>
Board of Physician Quality Assurance (BPQA)								
Cases Assigned	511	514	520	300	300	300	-23.4%	0.0%
Cases Completed	n/a	348	n/a	300	300	300	n/a	0.0%
Nursing								
Complaints	309	433	450	n/a	400	400	n/a	n/a
Complaints Resolved within 12 Months	n/a	14%	20%	n/a	75%	90%	n/a	n/a
Acupuncturist								
Complaints	10	9	8	5	4	5	-29.3%	0.0%
Average Days to Process Complaint	180	180	160	180	180	180	0.0%	0.0%
Chiropractic Examiners								
Complaints	39	56	70	65	75	85	29.1%	14.4%
Average Length of Cases in Days	83	77	70	85	80	75	1.2%	-6.1%
Counselors								
Complaints	n/a	9	11	10	12	14	n/a	18.3%
Average Days to Process Complaints	n/a	180	150	180	180	180	n/a	0.0%
Dietetic Practice								
Complaints	2	2	8	4	6	6	41.4%	22.5%
Average Days to Process Complaints	n/a	n/a	180	180	180	180	n/a	0.0%
# of Licensees	n/a	1,200	n/a	1,358	1,400	1,400	n/a	1.5%
# of Complaints	n/a	0	n/a	4	6	6	n/a	22.5%
Dental Examiners								
Complaints	396	286	425	228	300	350	-24.1%	23.9%
Average Length of Cases in Days	360	360	180	280	220	180	-11.8%	-19.8
Electrologists								
Complaints	6	2	3	n/a	3	n/a	n/a	n/a

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	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Actual 2001</u>	<u>Est. 2002</u>	<u>Est. 2003</u>	<u>Ann. Chg. 99-01</u>	<u>Ann. Chg. 01-03</u>
Morticians								
Complaints	43	25	50	31	24	32	-15.1%	1.6%
Days to Solve	n/a	60	n/a	60	60	60	n/a	0.0%
# of Licensees	n/a	1,400	n/a	1,409	1,389	1,369	n/a	-1.4%
# of Complaints	n/a	25	n/a	31	24	32	n/a	1.6%
Nursing Home Administrators								
Complaints	25	35	25	23	25	25	-4.1%	4.3%
Average Length of Cases in Days	180	245	n/a	245	195	195	16.7%	-10.8
Occupational Therapy								
Complaints	82	91	93	n/a	69	n/a	n/a	n/a
Average Length of Cases in Months	6	6	3	n/a	2	n/a	n/a	n/a
Optometry								
Complaints	13	13	18	15	15	15	7.4%	0.0%
Average Days to Process Complaints	75	90	65	90	60	60	9.5%	-18.4
Physical Therapy								
Complaints	82	91	93	n/a	69	n/a	n/a	n/a
Average Length of Cases in Days	6	6	3	n/a	2	n/a	n/a	n/a
# of Licensees	n/a	4,180	n/a	4,800	4,775	4,502	n/a	-3.2%
# of Complaints	n/a	71	n/a	75	80	72	n/a	-2.0%
Podiatry								
Complaints	n/a	80	140	100	105	105	n/a	2.5%
Average Days to Process Complaints	n/a	60	60	60	60	60	n/a	0.0%
Psychologists								
Complaints	71	45	84	38	40	45	-26.8%	8.8%
Average Days to Process Complaints	180	180	180	180	180	180	0.0%	0.0%
Social Work Examiners								
Complaints	45	40	59	44	48	48	-1.1%	4.4%
Average Days to Process Complaints	120	90	120	90	90	90	-13.4%	0.0%
AUD/HAD/SLP								
Complaints	18	17	24	9	10	12	-29.3%	15.5%
Average Days to Process Complaints	n/a	70	180	74	65	60	n/a	-10.0
Commission on Kidney Disease								
Complaints	25	25	40	n/a	30	50	n/a	n/a
Average Days to Process Complaints	n/a	60	60	n/a	60	60	n/a	n/a

Source: Department of Health and Mental Hygiene

Issues

1. Some Boards Are Not Maintaining Appropriate Fund Balances

All health boards and the commission, with the exception of the nursing home administrators, are entirely funded by fees collected for licensing and certification activities. According to statute, these fees should reflect the operating costs of the boards. Therefore, excessive fund balances have raised questions during the last several legislative sessions.

The boards and the commission have selected target fund balance levels based on a percentage of their annual budget. Boards with smaller budgets need larger fund balances because they have less of an ability to absorb unexpected expenses. The expected fiscal 2003 year end fund balances for each board and the commission are detailed **Appendix 4**. As it shows, six fund balances are expected to end fiscal 2003 with their fund balances below their target amount; these are presented separately in **Exhibit 5**. Three others are expected to have a balance less than 10% over their target amount.

In fiscal 2000 all but one of the boards and the commission developed a five-year spending program designed to have each unit's fund balance at or above target by the end of fiscal 2004. Based on this timetable, it is expected that all of the boards and the commission will be no more than a few percentage points under target by the end of fiscal 2003. All six of the boards that are expected to be below target at the end of fiscal 2003 will be more than 10 percentage points below their target. The Department of Legislative Services (DLS) estimates that none of these boards will reach their target fund balance by the end of fiscal 2004.

Exhibit 5

Some Health Boards Remain Below Target Fund Levels

<u>Board</u>	<u>FY 2003 Allowance</u>	<u>FY 2003 Target Balance</u>	<u>FY 2003 Expected Balance</u>	<u>\$ Amount Below Target</u>
BPQA	\$6,162,749	\$1,232,550	\$682,049	\$550,501
Acupuncturists	193,850	58,155	17,485	40,670
Dietetic Practice	125,189	37,557	22,799	14,758
Dental Examiners	1,432,647	429,794	117,628	312,166
Electrologists	50,835	12,709	(23,282)	35,991
Podiatry	202,710	60,813	6,908	53,905

Source: Department of Health and Mental Hygiene

2. Allowance Does Not Coincide with Spending Plans

In addition to developing a target fund balance amount in fiscal 2000, each board (except nurses) and the commission also developed a spending plan through fiscal 2004. These plans were part of the effort for each board to reach its target fund balance by fiscal 2004 and help the boards and the commission manage their expenditures and focus on their respective missions. In the face of the current economic situation it is vital that each board or commission not exceed its spending plan. All the boards and the commission, with the exception of the Board of Nursing, developed a spending plan; however, the 2003 allowance for 11 of the boards and the commission exceeds the spending plan by more than 5%. This not only puts the agency off for this year but forms the base to continue to be off in the out-years. **Therefore, DLS recommends that every board or commission that exceeds its spending plan by more than 5% be reduced to put it more in line with its spending plan.**

A comparison between the 2003 allowance and each board's planned expenditures for fiscal 2003 as well as DLS's recommendations are presented in **Exhibit 6**.

Exhibit 6

Allowance Versus Spending Plan Fiscal 2003 and DLS Recommended Reductions

<u>Board/Commission</u>	<u>FY 03 Allowance</u>	<u>FY 02 Working Approp.</u>	<u>FY 03 Spending Per Plan</u>	<u>Amount FY 03 Allowance Exceeds Plan</u>	<u>DLS Recommended Reductions</u>
BPQA	\$6,162,749	\$4,588,361	\$5,947,805	\$214,944	
Acupuncturists	193,850	157,683	175,000	18,850	\$14,138
Dietetic Practice	125,189	112,017	123,701	1,488	1,116
Counselors	344,968	254,326	297,000	47,968	
Chiropractic Examiners	565,015	456,189	450,000	115,015	86,261
Dental Examiners	1,432,647	1,137,741	1,200,000	232,647	174,485
Electrologists	50,835	64,011	67,416	(16,581)	
Morticians	358,641	253,185	220,000	138,641	103,062
Occ. Therapists	316,006	234,246	260,000	56,006	42,005
Optometry	225,680	212,444	210,343	15,337	11,503
Pharmacy	1,120,689	891,481	1,000,250	120,439	90,329
Physical Therapy	689,200	554,384	600,000	89,200	12,454
Podiatry	202,710	207,807	200,367	2,343	
Psychology	482,191	490,450	555,000	(72,809)	
Social Work	683,404	590,158	693,302	9,898	
AUD/HAD/SLP	272,034	239,467	259,000	13,034	9,776
Kidney Disease	190,383	131,992	115,000	75,383	13,476
Total Reductions				\$1,061,803	\$558,605

Note: Only boards whose fiscal 2003 allowance exceeds their spending plan by more than 5% were targeted for a reduction. DLS calculated its recommended reduction by figuring 75% of the overage for each board (this accounts for any forecasting errors and revenue fluctuations) and then adjusting the amounts by any personnel reductions recommended elsewhere.

Source: Department of Legislative Services

Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Delete one administration officer position that has been vacant for 30 months from the Board of Podiatry.	\$ 26,049	SF	0.5
2. Delete one position that has been vacant for 18 months from the Board of Examiners of Professional Counselors.	36,836	SF	1.0
3. Delete two 0.5 positions that have been vacant for 50 months each from the Kidney Commission.	43,064	SF	1.0
4. Delete one office secretary position that has been vacant for 22 months from the Board of Social Work.	33,158	SF	1.0
5. Delete one staff attorney position that has been vacant for 15 months from the Board of Physical Therapy.	54,446	SF	1.0
6. Delete 8.39 contractual positions contained in the 2003 allowance. The new contractual positions are mostly spread between several of the boards.	366,969	SF	
7. Delete six new positions contained in the 2003 allowance as follows:	271,856	SF	6.0
Nursing			2
Pharmacy			2
Chiropractors			1
Physical Therapy			1
8. Reduce the allowance for 11 health boards and the commission to be more in line with the Department of Health and Mental Hygiene spending plan. The boards being reduced are:	558,605	SF	
Dental Examiners		Chiropractic Examiners	
Morticians		Occupational Therapists	
Optometry		Pharmacy	
Physical Therapists		Audiologists	
Acupuncturists		Dietetic Practice	
Commission on Kidney Disease			
9. Delete one program manager position that has been vacant for more than 12 months from the Board of Electrologists.	31,971	SF	0.5

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10.	Delete one health occupations investigator position that has been vacant for 18 months from the Board of Nursing.	38,871	SF	1.0
11.	Delete 0.5 position that has been vacant for 50 months from the State Board of Physician Quality Assurance.	27,384	SF	0.5
12.	Delete one fiscal accounts supervisor position that has been vacant for 30 months from the State Board of Physician Quality Assurance.	41,048	SF	1.0
Total Special Fund Reductions		\$ 1,530,257		13.5

Updates

1. Sunset Reviews Continue in the Department

Five health occupation boards underwent a full sunset review in the 2001 interim. The major conclusions and recommendations are summarized below:

State Board of Nursing

- Legislation should be enacted to extend the termination date for the Maryland Board of Nursing to July 1, 2013.
- Legislation should be enacted authorizing the State Board of Nursing to charge institutions for the surveys. The fee should approximate the board's cost of surveying the programs. The board should adopt regulations to implement the fee.
- The State Board of Nursing should continue to monitor its fund balance in light of recent fee increases.
- The State Board of Nursing should conduct a full evaluation of authorized FTEs to determine if efficiencies can be realized in support staff roles, particularly given recent implementation of on-line renewal for nurses.

State Board of Examiners of Nursing Home Administrators

- The board should be continued, and its termination date should be extended by ten years to July 1, 2013.
- The board should develop a plan to raise fees so that its contribution to the general fund is more significant. It is unlikely that the board's revenues could equal expenses because its number of licensees is too small, but the board could close the gap between revenue and expenses.

State Board of Pharmacy

- The Board of Pharmacy should be continued, and the General Assembly should extend its termination date to July 1, 2013.
- The board should reallocate existing resources instead of adding positions unless there is sufficient justification for new positions.
- The board needs to develop a new proposal to raise fees. This proposal should raise fees enough to create a sufficient financial cushion, but it should not produce an excessive fund balance. The proposal should examine the five-year impact of the fee increase on the fund balance.

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State Board of Physician Quality Assurance

- Legislation should be enacted to extend the termination date for BPQA to July 1, 2008.
- Statute should be amended to eliminate the earmarking of funds to support the Health Manpower Shortage Incentive Grant Program and the Loan Assistance Repayment Program/Primary Care Service.
- Statute should be amended to allow interest income to accrue to the BPQA Fund.
- Oversight of BPQA finances should be improved.

State Board of Examiners of Psychologists

- Legislation should be enacted to extend the termination date for the State Board of Examiners of Psychologists to July 1, 2013.

Exhibit 7 shows the recommendations of the preliminary evaluations.

Exhibit 7

Recommendations of the Preliminary Evaluations

<u>Board</u>	<u>Recommendation</u>
Audiologists	Waive from full review
Electrologists	Full review
Occupational Therapists	Waive from full review
Physician Assistants*	Waive from full review
Counselors	Waive from full review
Social Workers	Full review

*Subunit of BPQA.

Source: Department of Health and Mental Hygiene

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2. Sunsets Scheduled for 2003

There are four sunset evaluations scheduled for the 2002 interim. The State Board of Electrologists and the State Board of Social Work Examiners are both scheduled for full reviews while the State Board of Dietetic Practice and the State Board of Acupuncture are scheduled for preliminary reviews.

3. Commission on Nursing Crisis

Chapters 257 and 258, Acts of 2000 established a commission to study the State's nursing shortage. The commission is required to submit a report to the relevant legislative committees January 1 of each year. As of January 17, 2002, the most recent report has not been published, and the commission reports that the earliest it will be available is the end of January.

Current and Prior Year Budgets

Current and Prior Year Budgets Health Occupation Boards (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2001					
Legislative Appropriation	\$147	\$15,529	\$0	\$206	\$15,882
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	18	842	0	0	860
Reversions and Cancellations	0	(862)	0	(31)	(893)
Actual Expenditures	\$165	\$15,509	\$0	\$175	\$15,849
Fiscal 2002					
Legislative Appropriation	\$158	\$16,369	\$0	\$215	\$16,742
Budget Amendments	(2)	(1,105)	0	0	(1,107)
Working Appropriation	\$156	\$15,264	\$0	\$215	\$15,635

Note: Numbers may not sum to total due to rounding.

MA.01.04 - DHMH - Health Occupation Boards

Appendix 2

Object/Fund Difference Report
DHMH - Health Occupation Boards

Object/Fund	FY01	FY02	FY03	FY02 - FY03	Percent Change
	Actual	Working Appropriation	Allowance	Amount Change	
Positions					
01 Regular	196.00	199.00	205.00	6.00	3.0%
02 Contractual	12.58	9.87	18.26	8.39	85.0%
Total Positions	208.58	208.87	223.26	14.39	6.9%
Objects					
01 Salaries and Wages	\$ 9,157,986	\$ 8,873,900	\$ 11,048,513	\$ 2,174,613	24.5%
02 Technical & Spec Fees	1,068,735	927,946	1,242,423	314,477	33.9%
03 Communication	554,871	540,708	545,513	4,805	0.9%
04 Travel	224,296	270,278	305,322	35,044	13.0%
07 Motor Vehicles	13,084	3,556	3,672	116	3.3%
08 Contractual Services	3,887,303	4,040,212	4,113,986	73,774	1.8%
09 Supplies & Materials	161,915	172,107	179,121	7,014	4.1%
10 Equip - Replacement	34,334	75,202	68,530	(6,672)	(8.9%)
11 Equip - Additional	221,669	96,354	126,734	30,380	31.5%
12 Grants, Subsidies, Contr	8,868	14,686	14,686	0	0%
13 Fixed Charges	516,312	620,225	662,584	42,359	6.8%
Total Objects	\$ 15,849,373	\$ 15,635,174	\$ 18,311,084	\$ 2,675,910	17.1%
Funds					
01 General Fund	\$ 164,837	\$ 155,555	\$ 160,747	\$ 5,192	3.3%
03 Special Fund	15,509,144	15,264,909	17,948,756	2,683,847	17.6%
09 Reimbursable Fund	175,392	214,710	201,581	(13,129)	(6.1%)
Total Funds	\$ 15,849,373	\$ 15,635,174	\$ 18,311,084	\$ 2,675,910	17.1%

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

MA.01.04 - DHMH - Health Occupation Boards

Appendix 3

Fiscal Summary DHMH - Health Occupation Boards						
<u>Unit/Program</u>	<u>FY01 Actual</u>	<u>FY02</u>		<u>FY01 - FY02 % Change</u>	<u>FY03 Allowance</u>	<u>FY02 - FY03 % Change</u>
		<u>Legislative Appropriation</u>	<u>Working Appropriation</u>			
04 Health Professionals Boards and Commissions	\$ 6,713,713	\$ 6,765,050	\$ 6,357,846	(5.3%)	\$ 7,615,770	19.8%
05 Board of Nursing	3,545,641	3,961,736	3,700,037	4.4%	4,532,565	22.5%
06 Board of Physician Quality Assurance	5,590,019	6,014,162	5,577,291	(0.2%)	6,162,749	10.5%
Total Expenditures	\$ 15,849,373	\$ 16,740,948	\$ 15,635,174	(1.4%)	\$ 18,311,084	17.1%
General Fund	\$ 164,837	\$ 157,552	\$ 155,555	(5.6%)	\$ 160,747	3.3%
Special Fund	15,509,144	16,368,686	15,264,909	(1.6%)	17,948,756	17.6%
Total Appropriations	\$ 15,673,981	\$ 16,526,238	\$ 15,420,464	(1.6%)	\$ 18,109,503	17.4%
Reimbursable Fund	\$ 175,392	\$ 214,710	\$ 214,710	22.4%	\$ 201,581	(6.1%)
Total Funds	\$ 15,849,373	\$ 16,740,948	\$ 15,635,174	(1.4%)	\$ 18,311,084	17.1%

Surplus/Deficit Estimated Fund Balances at the End of Fiscal 2003

<u>Board/Commission</u>	<u>Average Est. Fund Balance FY 02 - 03</u>	<u>FY 03 Allowance</u>	<u>Avg % of Budget</u>	<u>Target %</u>	<u>Target \$</u>	<u>\$ Amount Above or (Below) Target</u>
BPQA	\$682,049	\$6,162,749	11%	20%	1,232,550	(550,501)
Nursing*	1,190,238	4,532,565	26%	20%	906,513	283,725
Acupuncturists	17,485	193,850	9%	30%	58,155	(40,670)
Dietetic Practice	22,799	125,189	18%	30%	37,557	(14,758)
Professional Counselors	348,938	344,968	101%	25%	86,242	262,696
Chiropractic Examiners	263,124	565,015	47%	20%	113,003	150,121
Dental Examiners	117,628	1,432,647	8%	30%	429,794	(312,166)
Electrologists*	(23,282)	50,835	(46)%	25%	12,709	(35,991)
Morticians	106,771	358,641	30%	25%	89,660	17,111
Occupational Therapists	90,602	316,006	29%	25%	79,002	11,601
Optometry	289,894	225,680	128%	30%	67,704	222,190
Pharmacy	724,462	1,120,689	65%	25%	280,172	444,290
Physical Therapy	330,278	689,200	48%	25%	172,300	157,978
Podiatry	6,908	202,710	3%	30%	60,813	(53,905)
Psychology*	198,167	482,191	41%	25%	120,548	77,619
Social Work	488,388	683,404	71%	25%	170,851	317,537
AUD/HAD/SLP**	109,306	272,034	40%	30%	81,610	27,696
Kidney Disease*	132,720	190,383	70%	30%	57,115	75,605

*All boards, with the exception of Nursing, Electrologists, and Psychologists, and the commission are evaluated on the average fund balance during the fiscal 2002 to 2003 time period. This is the most accurate reflection of fund balance because these boards have a biennial renewal cycle.

**Board of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists.

Source: Department of Legislative Services