

M00A0104
Health Occupation Boards
Department of Health and Mental Hygiene

Operating Budget Data

(\$ in Thousands)

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$175	\$222	\$248	\$25	11.3%
Special Fund	18,068	20,747	23,126	2,379	11.5%
Reimbursable Fund	<u>632</u>	<u>266</u>	<u>344</u>	<u>78</u>	<u>29.3%</u>
Total Funds	\$18,875	\$21,235	\$23,718	\$2,483	11.7%

- The fiscal 2007 allowance increases the budget for the Health Occupation Boards from the fiscal 2006 level by \$2.5 million, with special funds accounting for \$2.4 million of the growth.
- Increases in personnel costs comprise \$2.2 million of the increase in overall growth.

Personnel Data

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>
Regular Positions	182.50	200.00	216.00	16.00
Contractual FTEs	<u>29.79</u>	<u>34.85</u>	<u>30.10</u>	<u>-4.75</u>
Total Personnel	212.29	234.85	246.10	11.25

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	6.33	2.93%
Positions Vacant as of 12/31/05	18.00	9.00%

- The fiscal 2007 allowance proposes 16 new regular positions for the Health Occupation Boards. All of the new regular positions are contractual conversions, but contractual full-time equivalents are only decreasing by 4.75 positions.

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

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- Currently, the Health Occupation Boards has a vacancy rate of 9%, but the boards are budgeted for a turnover of 2.93%. Since 2003, the lowest recorded turnover rate for the Health Occupation Boards has been 5.75%, and the highest record turnover in that timeframe is 12.8%.

Analysis in Brief

Major Trends

Productivity of Boards Varies: The number of positions for the boards does not correspond with the number of licenses processed. The Board of Physicians has the most positions but the lowest rate of licenses processed per position. On the other hand, the Board of Nursing has the second most positions and the highest rate of licenses processed per position.

Most Boards Able to Process Complaints within the Goal: Two-thirds of the boards are able to process complaints within a timely manner, but six boards were not able to achieve their goal in fiscal 2005. Those boards are Chiropractic Examiners; Social Work Examiners; Dental Examiners; Nursing; Pharmacy; and Audiology, Hearing Aid Dispensers, Speech-Language Pathologists

Issues

Report Regarding Centralizing the Administrative Functions of the Boards: In the 2005 *Joint Chairman's Report*, the committees requested the Department of Health and Mental Hygiene to prepare a report on the operations of the Health Occupations Boards. The report was requested to include a proposed work plan for centralizing the administrative functions of the Health Occupations Boards.

Board of Physicians' Sunset Review: A Sunset Review of the Board of Physicians was completed in October 2005. This sunset review was undertaken only four years after the last full evaluation of the State Board of Physicians and two years after the legislation continuing the boards was enacted.

Recommended Actions

	<u>Funds</u>
1. Increase budgeted turnover to 6%.	\$ 363,445
2. Reduce funding for contractual positions in the Board of Nursing to reflect the conversion of 8 contractual employees.	238,450
3. Add budget bill language restricting funding for the Board of Physicians to convert contractual positions to regular positions.	
Total Reductions	\$ 601,895

Updates

Preliminary Evaluation of the State Board of Morticians: A preliminary evaluation of the State Board of Morticians was undertaken during the 2005 interim to provide the General Assembly with the necessary information to determine whether the board should undergo full evaluation next interim.

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M00A0104
Health Occupation Boards
Department of Health and Mental Hygiene

Operating Budget Analysis

Program Description

Under the Office of the Secretary of the Department of Health and Mental Hygiene (DHMH), there are 18 boards and commissions 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 general, each board has the following goals:

- protect the public by insuring that practicing health professionals are properly credentialed and licensed; and
- investigate complaints.

Performance Analysis: Managing for Results

Productivity of Boards Varies

Exhibit 1 shows the number of positions for the boards does not correspond with the number of licenses processed. The Board of Physicians has the most positions but the lowest rate of licenses processed per position. On the other hand, the Board of Nursing has the second most positions and the highest rate of licenses processed per position. Since the complexity of work performed by each board varies, it is difficult to compare the boards to each other. The data shown in Exhibit 1 is meant to provide information about the productivity of each board, but the data does not demonstrate how well any of the boards are functioning.

Exhibit 1
Managing for Results
Licenses Processed by Number of Authorized Persons
Fiscal 2005

	<u>Number of Licenses Processed</u>	<u>Authorized Positions</u>	<u>Licenses Processed per Position</u>
Nursing***	153,668	48	3,201.4
Social Work Examiners***	14,114	5	2,822.8
Physical Therapy Examiners	9,699	7	1,385.6
AUD/HAD/SLP**	2,431	2	1,215.5
Counselors	3,909	4	977.3
Dietetic Practice*	1,400	1.5	933.3
Dental Examiners*	11,371	13	874.7
Psychologists	2,371	3	790.3
Pharmacy***	7,662	12	638.5
Chiropractic Examiners***	3,897	7	556.7
Occupational Therapy	2,202	4	550.5
Acupuncture*	770	1.5	513.3
Optometry*	852	2	426.0
Morticians	1,446	4	361.5
Podiatry*	475	1.5	316.7
Nursing Home Administrators	595	2	297.5
Physicians*	12,200	61	200.0
Total	229,062	178.5	

* Received new positions in fiscal 2006

** Proposed to receive new positions in fiscal 2007

***Received new positions in fiscal 2006 and proposed to receive more in fiscal 2007

AUD/HAD/SLP = Audiology, Hearing Aid Dispensers, Speech-Language Pathologists

Source: Department of Health and Mental Hygiene

Most Boards Able to Process Complaints within the Goal

Two-thirds of the boards are able to process complaints within a timely manner (as defined by each board), but six boards were not able to achieve this goal in fiscal 2005. Those boards are Chiropractic; Social Work; Dental; Nurses; Pharmacy; and Audiology, Hearing Aid Dispenser, Speech-Language Pathologists (AUD/HAD/SLP). **Exhibit 2** shows the rate at which these six boards were able to process complaints within the target timeframe.

Exhibit 2 Managing for Results Boards Not Able to Process Complaints within the Target Timeframe Fiscal 2003 – 2005

	Number of Complaints			Target Completion Time (Days)	FY 2005 % Completed within Target Time
	<u>2003</u> <u>Actual</u>	<u>2004</u> <u>Actual</u>	<u>2005</u> <u>Actual</u>		
AUD/HAD/SLP	26	30	28	180	90%
Pharmacy	163	163	247	90	85%
Nursing	712	731	642	180	83%
Dental Examiners	502	455	487	180	59%
Social Work Examiners	35	144	119	90	49%
Chiropractic Examiners	58	105	82	75	22%

Source: Department of Health and Mental Hygiene

Governor's Proposed Budget

Exhibit 3 shows that the fiscal 2007 allowance increases the budget for the Health Occupation Boards from the fiscal 2006 level by \$2.5 million, with special funds accounting for \$2.4 million of the growth. Increases in personnel costs comprise \$2.2 million of the overall growth.

Exhibit 3
Governor's Proposed Budget
DHMH – Health Occupation Boards
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
2006 Working Appropriation	\$222	\$20,747	\$266	\$21,235
2007 Governor's Allowance	<u>248</u>	<u>23,126</u>	<u>344</u>	<u>23,718</u>
Amount Change	\$25	\$2,379	\$78	\$2,483
Percent Change	11.3%	11.5%	29.3%	11.7%
Where It Goes:				
Personnel Expenses				
New positions.....				\$880
Salary increments.....				408
Health insurance costs underestimated in fiscal 2006 appropriation				343
Growth in health insurance for fiscal 2007				305
Retirement and other compensation.....				132
Turnover adjustments.....				79
Other fringe benefit adjustments				51
Other Changes				
Physician rehab and peer review funds new to Board of Physicians budget				152
Increase in the Office of Administrative Hearings charges for the Board of Physicians.....				124
Increased travel expenses.....				85
Board of Pharmacy printing new law books				62
Increased rent for Board of Pharmacy and Board of Physicians.....				55
Nursing phones underfunded in fiscal 2006.....				45
Increase in documents due to improvements to the investigative process for the Board of Physicians				27
Board of Pharmacy fees for licensees to attend law course				21
Board of Dental Examiners online licensure renewal processing fees.....				20
Nursing using contractual positions rather than agencies for clerical work.....				-110
Reduced funding for contractual salaries				-234
Other.....				38
Total				\$2,483

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

Personnel

The fiscal 2007 allowance proposes 16 new regular positions for the Health Occupation Boards, and **Exhibit 4** shows how the new positions will be distributed. All of the new positions are contractual conversions, but only 12 of the positions are currently filled. Both of the proposed positions for the Board of Social Work Examiners and 2 of the 3 proposed positions for the Board of Pharmacy are vacant. **The department should comment on the length of time the 4 contractual positions have been vacant and the need to convert for the currently vacant contractual positions.**

The Board of Nursing is converting 8 of its current 10 contractual positions, but the funding for contractual positions in the Board of Nursing budget is decreasing by only 26%. **The Department of Legislative Services (DLS) recommends reducing the funding for contractual positions in the Board of Nursing to reflect the conversion of 8 contractual positions.**

Exhibit 4 Distribution of New Regular Positions

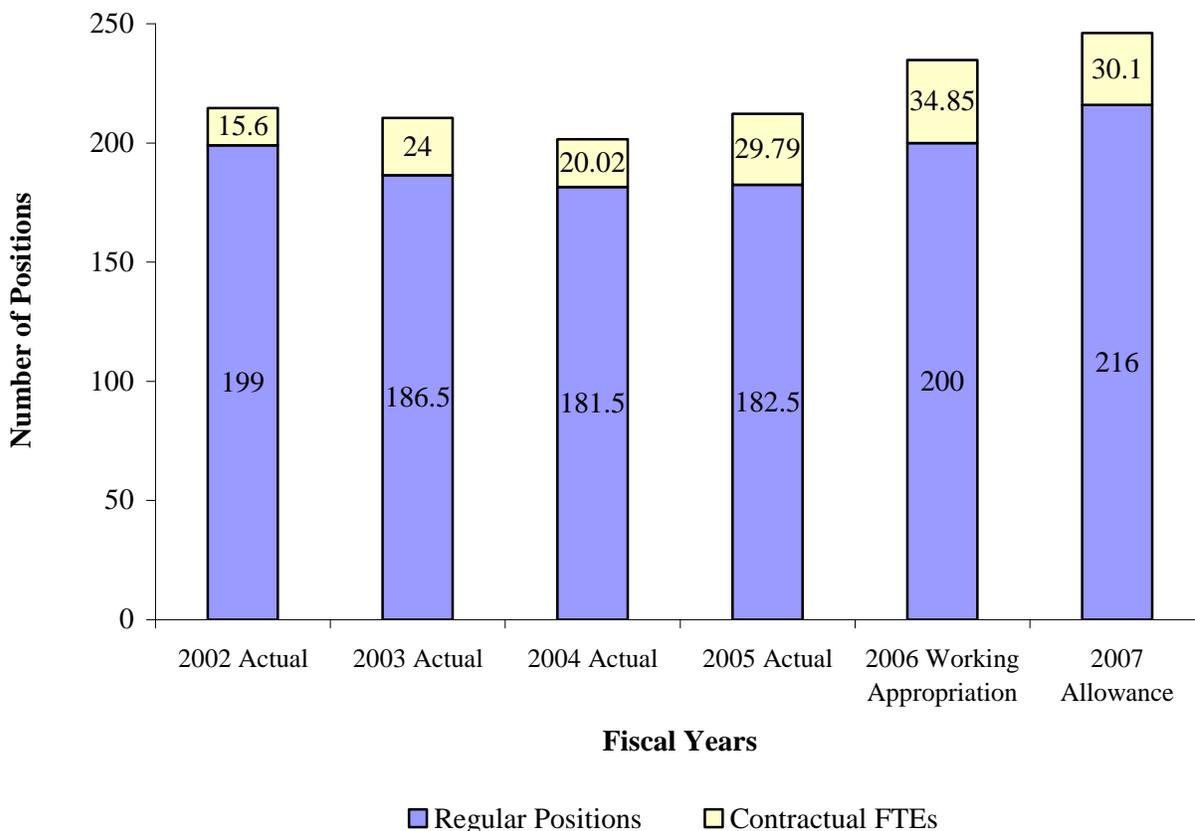
	<u>2005 Authorized Positions</u>	<u>2006 Authorized Positions</u>	<u>Fiscal 2007 Proposed New Positions</u>	<u>% Change from Fiscal 2006</u>
Administration	3	3	1	33.3%
AUD/HAD/SLP	2	2	1	50.0%
Chiropractic Examiners	7	8	1	12.5%
Nursing	48	48	8	16.7%
Pharmacy	12	13	3	23.1%
Social Work Examiners	5	9	2	22.2%
Total Regular Positions	182.5	200	16	8.0%

Source: Department of Health and Mental Hygiene

Currently, the Health Occupation Boards has a vacancy rate of 9%, but the boards are budgeted for a turnover of 2.93%. Since 2003, the lowest recorded turnover rate for the Health Occupation Boards has been 5.75%, and the highest record turnover in that timeframe is 12.8%. **DLS recommends increasing the budgeted turnover for the Health Occupation Boards to 6%, which would better correspond with the recent experience of the Health Occupation Boards.**

Exhibit 5 shows that the number of regular positions and contractual full-time equivalents (FTEs) at the Health Occupation Boards has been steadily increasing over the past few years with increasing reliance on contractual employees. Fiscal 2007, however, marks a departure from the trend toward greater reliance on contractual positions. **The department should comment about the current and future need for additional employees at the Health Occupation Boards.**

**Exhibit 5
Number of Regular and Contractual Employees
Fiscal 2002 – 2007**



Source: Department of Health and Mental Hygiene

The Board of Physicians agreed with a recommendation made in the recent Sunset Review done by DLS that the State Board of Physicians should limit its use of contractual employment for positions that are performing ongoing functions. However, the allowance provides no contractual conversions for the Board of Physicians, but the board does receive an additional 2.5 contractual positions. If approved these new positions would bring the number of contractual FTEs at the Board of Physicians to 17.1, which would make 21% of the Board of Physicians staff contractual employees. **DLS recommends limiting the Board of Physicians use of contractual employment as recommended in the 2005 Sunset Review.**

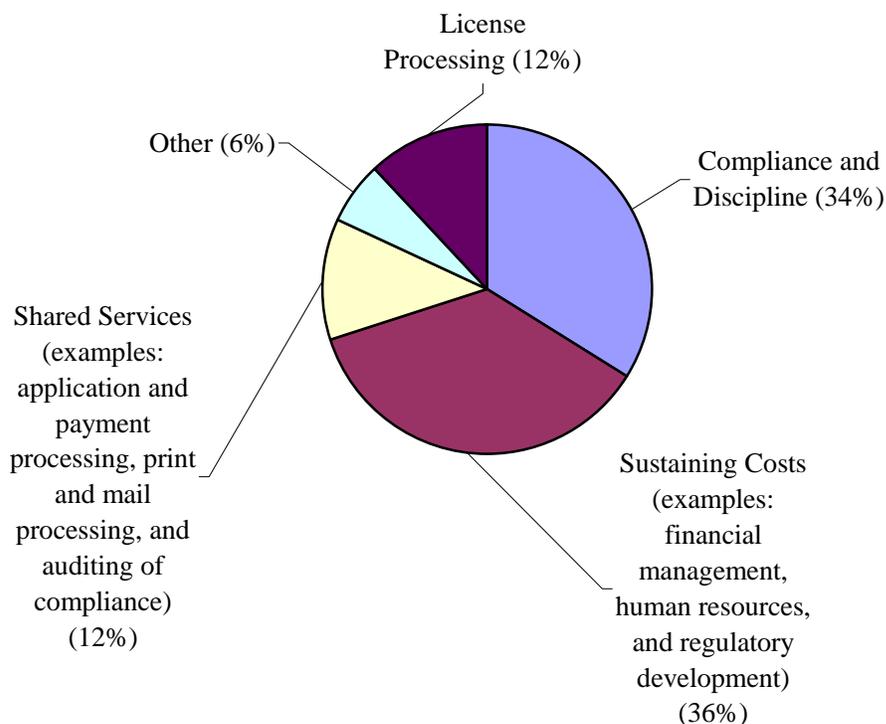
Issues

1. Report Regarding Centralizing the Administrative Functions of the Boards

In the 2005 *Joint Chairmen's Report*, the committees requested DHMH to prepare a report on the operations of the Health Occupations Boards. The requested report was to include a proposed work plan for centralizing the administrative functions of the Health Occupations Boards. Specifically, the report was to include information on the expenses incurred by each board for personnel, accounting services, communications, contractual services, information technology, office space, and other general overhead costs during the past three fiscal years.

Exhibit 6 shows how the health occupation boards' costs are broken down by category in fiscal 2005. An unexpected result of the department's analysis was the relatively small percentage of total spending on license processing. Spending on this activity represented only 12% of total costs, suggesting that there may not be significant savings generated by consolidating processing functions. However, the report suggests that consolidation could produce other positive effects, such as improved performance or customer service.

Exhibit 6
Health Occupation Boards Costs by Category
Fiscal 2005
\$18.9 Million Spent



Source: The Centre for Management and Technology

In addition the report notes that varying requirements for continuing education documentation may be one of the more significant obstacles to centralizing license and application processing. To circumvent this obstacle the report suggests continuing education auditing rather than verifying that continuing education was done by each renewal applicant. However, ensuring that licensees are receiving the continuing education is a vital aspect of the licensure process.

The report identifies services, such as mail and payment processing, as the most likely functions to be shared because this spending includes a combination of fixed and variable costs. These services comprise 12% of the boards' total spending.

Sustaining processes, generally considered as overhead costs, comprise 36% of total spending. This spending primarily consists of human resources and financial management, and these functions are largely independent of the level of service provided. The report concluded that these charges would be largely unaffected by any restructuring of the boards. **The department should further explain why consolidating sustaining processes, such as human resources and financial management, would not achieve cost-savings or efficiencies for the Health Occupation Boards.**

In total, the results of the study suggest that there is some potential to create efficiencies among the boards, most notably in mail, payment, license, and application processing. **The department should explain why consolidating these services would not provide some degree of cost-savings. Even if consolidation did not produce cost-savings, efficiencies could result in improved customer service. The department should comment to the budget committees about the plan to consolidate the Health Occupation Boards, in order to potentially save money and improve customer service.**

2. Board of Physicians' Sunset Review

A sunset review of the Board of Physicians was completed in October 2005. This sunset review was undertaken only four years after the last full evaluation of the State Board of Physicians and two years after the legislation continuing the boards was enacted.

The State Board of Physicians underwent significant changes with the implementation of Chapter 252 of 2003 (Senate Bill 500), which seemed to have brought about qualitative improvements in the board's operations. However, the sunset review released in October 2005 included 23 additional recommendations for the Board of Physicians. These recommendations are listed below with the recommendations that could have a potential budgetary effect bolded.

1. Statute should be amended to extend the termination date for the Board of Physicians to July 1, 2013.
2. **Statute should be amended to provide for a physicians rehabilitation program that is either operated by the State Board of Physicians or through a contract.**

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3. Statute should be amended to include more specific language requiring the State Board of Physicians and the courts to develop a procedure to facilitate court reporting to the board of information regarding conviction of or entry of a plea of guilty or *nolo contendere* by a physician for any crime of moral turpitude.
4. **The State Board of Physicians should request authorization for a permanent full-time consumer assistant position.**
5. Uncodified language should be adopted requiring the State Board of Physicians to amend current regulations to both reflect current practice and to implement the recommendations made in the *Report on the Maryland Board of Physicians' Investigative Processes and Optimal Caseloads*.
6. In order to strengthen oversight, the State Board of Physicians should change the process currently in place for a physician to obtain an exception from licensure. Regulations should be adopted detailing the procedures for exceptions from licensure for purposes of “consultation.”
7. Uncodified language should be adopted directing DLS to prepare a report on the efficacy of the State Board of Physicians' complaint resolution process by November 1, 2007. Given the uncertainty that persists in evaluating the effectiveness of the complaint resolution process, this report will allow an additional opportunity to evaluate the impact of recent changes in the complaint resolution process as well as provide the board with an opportunity to address outstanding issues, especially resolving the backlog of complaints and reducing investigative caseloads.
8. **Statute should be amended to authorize the State Board of Physicians to refer any cases for a formal hearing to a subcommittee of the board rather than solely to the Office of Administrative Hearings. Alternatively, consideration should be given to authorizing the board to refer only standard of care cases for a formal hearing to a subcommittee of the board.**
9. **Uncodified language should be adopted requiring DHMH and the Department of Budget and Management (DBM) to review job classifications for investigators at the State Board of Physicians specifically and Health Occupations Boards generally.**
10. **The State Board of Physicians should limit its use of contractual employment for positions that are performing ongoing functions. The State Board of Physicians and DHMH should request contractual conversion for such employees.**
11. Uncodified language should be adopted requiring the State Board of Physicians and DHMH to report to the Senate Education, Health, and Environmental Affairs and House Health and Government Operations committees by July 1, 2006, with details on a jointly developed strategy to reduce investigative caseloads and complaint backlogs. In addition, uncodified language should be adopted requiring the investigative caseloads and complaint backlogs to be reduced by July 1, 2007.

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12. Uncodified language should be adopted requiring DHMH in conjunction with the Office of the Attorney General (OAG) to review the process for the investigation of self-referral cases and make recommendations regarding the development of an existing central unit that can provide additional resources and support for the Health Occupations Boards to pursue the self-referral cases. These recommendations should be reported to the Senate Education, Health, and Environmental Affairs and House Health and Government Operations committees by July 1, 2006.
13. The State Board of Physicians, in conjunction with OAG, should adopt sanctioning guidelines that are voluntary, with the intent to be used as a resource which would allow the State Board of Physicians to retain the ability to use its discretion on a case-by-case basis.
14. Statute should be amended to require disciplinary proceedings following formal charging by the State Board of Physicians to be open to the public, providing that the licensee or the complainant may, for good cause shown, request the proceeding be closed.
15. Statute should be amended to make nonconsensual sexual contact with a patient on the part of any health care professional a sexual offense in the third degree.
16. The State Board of Physicians' web site should include an additional statement explaining the potential inconsistency in the medical malpractice claims and settlement information on the individual licensee profiles and provide a clear directive for the user on how to access the disclaimer.
17. **Statute should be amended to include hospitals, related institutions, alternative health systems, or employers in the prohibition against employing uncertified radiation oncology/therapy technologists, medical radiation technologists, or nuclear medicine technologists. In addition, statute should be amended to authorize the State Board of Physicians to impose a civil penalty of up to \$1,000 against a hospital, related institution, alternative health system, or employer for employing uncertified radiation oncology/therapy technologists, medical radiation technologists, or nuclear medicine technologists.**
18. **Statute should be amended to authorize the State Board of Physicians to impose a civil penalty of up to \$1,000 against a hospital, related institution, alternative health system, or employer for failing to report a disciplinary action against a certified radiation oncology/therapy technologist, certified medical radiation technologist, or certified nuclear medicine technologist or a licensed respiratory care practitioner, respectively.**
19. Statute should be amended to delete the requirement that the State Board of Physicians elect a Secretary-Treasurer.
20. Statute should be amended to cross reference the requirement for a physician to register before performing acupuncture in this State.

21. **Statute should be amended to eliminate the distribution of fees to the general fund under the Maryland Physician Assistants Act.**
22. **Statute should be amended to eliminate the \$50 fee that funds physician rehabilitation and peer review activities because licensing fee levels are supposed to approximate the cost of maintaining the State Board of Physicians.**
23. Statute should be amended to replace the reference to MedChi regarding certain confidential records or transactions with a reference to the entity or entities that have contracted with the State Board of Physicians to provide further investigation and physician peer review.

The review noted a number of times that whether it be the timely promulgation of regulations, licensing activities, or complaint resolution, the board's efforts to improve the quality of its operations and thus fulfill its mission seem to have been hamstrung by the inability to staff its operations at desired levels. While there are some preliminary indications that the changes made by the board in recent years are beginning to take hold, without sufficient qualified staff, it is all too easy to see that these early grounds for optimism could wither.

The department should explain how any changes in the Board of Physicians budget are the result of implementing recommendations of the sunset review. Also, the department should comment about the progress of implementing the recommendations that have potential budgetary effect.

Recommended Actions

	<u>Amount Reduction</u>	
1. Increase budgeted turnover to 6%. Currently, the Health Occupation Boards are budgeted for a turnover of 2.93%, but in the past 3 years, the Health Occupation Boards have not had a turnover rate lower than 5.75%. During the same 3-year period, the turnover rate has been as high as 12.8%.	\$ 7,269 \$ 356,176	GF SF
2. Reduce funding for contractual positions in the Board of Nursing to reflect the conversion of 8 contractual employees. The Board of Nursing is converting 8 of the current 10 contractual positions to regular positions, but the funding for contractual positions in the Board of Nursing budget is decreasing by only 26%.	238,450	SF
3. Add the following language to the special fund appropriation: <u>. provided that \$109,000 in special funds for contractual employment in the Board of Physicians may not be expended for that purpose and may only be used to fund health insurance and retirement benefits associated with converting contractual positions to regular positions.</u>		
Explanation: In the sunset review, the Board of Physicians agreed with the Department of Legislative Services recommendation to limit the use of contractual employment and request contractual conversions. Instead, for fiscal 2007, the Board of Physicians requested no contractual conversions and 2.5 additional full-time contractual equivalents (FTEs). The language restricts \$109,000 in funding included in the budget for the 2.5 new contractual employees to fund health insurance and retirement benefits associated with the conversion of 8 contractuales to regular positions.		
Total Reductions	\$ 601,895	
Total General Fund Reductions	\$ 7,269	
Total Special Fund Reductions	\$ 594,626	

Updates

1. Preliminary Evaluation of the State Board of Morticians

The State Board of Morticians is one of about 70 entities currently subject to evaluation which means the entities are subject to termination unless legislative action is taken to reauthorize them. The Legislative Policy Committee decides whether to waive an agency from full evaluation. If waived, legislation to reauthorize the agency must be enacted. Otherwise, full evaluation of the organization is completed the subsequent year.

The State Board of Morticians last underwent a full evaluation as part of a sunset review in October 2000 and extended the board's termination date from July 1, 2002, to the current termination date of July 1, 2008. A preliminary evaluation of the State Board of Morticians was undertaken during the 2005 interim to provide the General Assembly with the necessary information to determine whether the board should undergo full evaluation next interim.

The preliminary evaluation found the board has worked diligently to implement other 2000 sunset review recommendations adopted by the General Assembly. DLS made a few recommendations in the preliminary evaluation that the Board of Morticians concurs with and says it will implement. These recommendations are improving the complaint tracking system, addressing the rising number of complaints related to the pre-need contracts, and reevaluating the appropriate length of an apprenticeship.

DLS recommended extension for 10 years, until 2018. However, the House and the Senate differ on how long the board should be extended. This issue will be dealt with during the 2006 legislative session.

Current and Prior Year Budgets

Current and Prior Year Budgets DHMH – Health Occupational Boards (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2005					
Legislative Appropriation	\$173	\$19,285	\$0	\$239	\$19,697
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	5	492	0	399	895
Reversions and Cancellations	-3	-1,709	0	-6	-1,718
Actual Expenditures	\$175	\$18,068	\$0	\$632	\$18,875
Fiscal 2006					
Legislative Appropriation	\$221	\$20,747	\$0	\$266	\$21,233
Budget Amendments	2	0	0	0	2
Working Appropriation	\$222	\$20,747	\$0	\$266	\$21,235

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

Fiscal 2005

The fiscal 2005 budget for the Health Occupations Boards closed out at \$18.9 million, which is \$0.82 million less than the legislative appropriation. General funds increased from health insurance costs and a transfer from DBM to pay for cost-of-living adjustments (COLA). Special funds increased by \$492,000 for salaries, renovations, technology upgrades, and information technology costs.

Reimbursable funds increased by \$398,921 with \$350,000 coming from the Office of Health Care Quality to develop a standardized core curriculum to instruct nursing surveyors about investigative techniques and the remaining reimbursable funds going toward the salary and fringe benefits for a data specialist.

The Health Occupations Boards reverted \$3,000 in general funds and cancelled \$1.7 million in special funds and \$6,000 in reimbursable funds. The special fund cancellations were attributed to a number of boards with \$744,000 from the Board of Physicians, \$471,000 from the Board of Nursing, and \$264,000 from the Board of Dental Examiners. The remainder of special fund cancellations came from the following boards: Morticians, Physical Therapy, Podiatry, Social Work, and Psychology.

Fiscal 2006

The working appropriation for fiscal 2006 is \$2,000 more than the legislative appropriation as a result of funds transferred from DBM to pay for the COLA.

Audit Findings

Audit Period for Last Audit:	June 1, 1999 – January 15, 2002
Issue Date:	October 2002
Number of Findings:	9
Number of Repeat Findings:	0
% of Repeat Findings:	0
Rating: (if applicable)	n/a

- Finding 1:** Adequate control and oversight was not provided over fiscal functions of the various units.
- Finding 2:** Loans totaling approximately \$223,000 were made to offset operating deficits at certain boards in violation of State law.
- Finding 3:** Certain boards had not established sufficient accountability and control over collections.
- Finding 4:** Adequate control had not been established over pre-numbered licenses.
- Finding 5:** Changes were made to the automated licensing files that were not independently verified.
- Finding 6:** Access to the board’s automated licensure system was not adequately controlled.
- Finding 7:** Complaints were not always resolved in a timely manner.
- Finding 8:** Funeral home inspections were not performed as required.
- Finding 9:** Surveys of dialysis centers were not performed on a periodic basis as required.

**Object/Fund Difference Report
DHMH – Health Occupation Boards**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	182.50	200.00	216.00	16.00	8.0%
02 Contractual	29.79	34.85	30.10	-4.75	-13.6%
Total Positions	212.29	234.85	246.10	11.25	4.8%
Objects					
01 Salaries and Wages	\$ 10,545,885	\$ 11,933,899	\$ 14,132,478	\$ 2,198,579	18.4%
02 Technical & Spec Fees	1,831,990	1,991,189	1,757,645	-233,544	-11.7%
03 Communication	621,403	704,436	667,679	-36,757	-5.2%
04 Travel	236,273	390,192	474,930	84,738	21.7%
07 Motor Vehicles	11,639	1,818	2,399	581	32.0%
08 Contractual Services	4,498,940	4,849,941	5,325,447	475,506	9.8%
09 Supplies & Materials	212,052	174,211	192,903	18,692	10.7%
10 Equip - Replacement	78,077	15,269	11,933	-3,336	-21.8%
11 Equip - Additional	138,096	266,476	170,656	-95,820	-36.0%
12 Grants, Subsidies, and Contributions	0	25,000	25,000	0	0%
13 Fixed Charges	700,186	882,518	956,469	73,951	8.4%
Total Objects	\$ 18,874,541	\$ 21,234,949	\$ 23,717,539	\$ 2,482,590	11.7%
Funds					
01 General Fund	\$ 174,839	\$ 222,413	\$ 247,619	\$ 25,206	11.3%
03 Special Fund	18,067,960	20,746,662	23,126,022	2,379,360	11.5%
09 Reimbursable Fund	631,742	265,874	343,898	78,024	29.3%
Total Funds	\$ 18,874,541	\$ 21,234,949	\$ 23,717,539	\$ 2,482,590	11.7%

**Fiscal Summary
DHMH – Health Occupation Boards**

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
04 Health Professionals Boards and Commissions	\$ 8,037,803	\$ 8,786,986	\$ 9,891,497	\$ 1,104,511	12.6%
05 Board of Nursing	5,341,762	5,552,600	6,009,332	456,732	8.2%
06 Board of Physician Quality Assurance	5,494,976	6,895,363	7,816,710	921,347	13.4%
Total Expenditures	\$ 18,874,541	\$ 21,234,949	\$ 23,717,539	\$ 2,482,590	11.7%
General Fund	\$ 174,839	\$ 222,413	\$ 247,619	\$ 25,206	11.3%
Special Fund	18,067,960	20,746,662	23,126,022	2,379,360	11.5%
Total Appropriations	\$ 18,242,799	\$ 20,969,075	\$ 23,373,641	\$ 2,404,566	11.5%
Reimbursable Fund	\$ 631,742	\$ 265,874	\$ 343,898	\$ 78,024	29.3%
Total Funds	\$ 18,874,541	\$ 21,234,949	\$ 23,717,539	\$ 2,482,590	11.7%