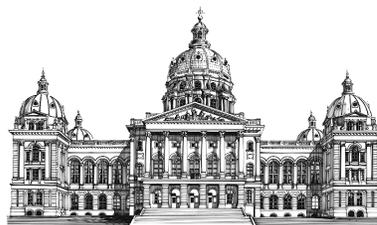

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State Capitol
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Public Health Professional Licensure Boards

ISSUE

This *Issue Review* provides background on the professional licensure boards of the Department of Public Health.

AFFECTED AGENCIES

Department of Public Health

CODE AUTHORITY

Chapters 147 through 158 Code of Iowa

BACKGROUND

Five professional licensing boards, the Boards of Medical Examiners, Dental Examiners, Pharmacy Examiners, Nursing Examiners, and the Bureau of Professional Licensure are located within the Department of Public Health. **Attachment A** details the number of licensees by profession as well as the cost of the license and length of time the license is valid. Common functions of the boards include:

- Licensure: Verifying education and work experience qualifications and conducting examinations.
- Continuing Education: Approving continuing education programs and auditing continuing education records.
- Public Information Requests: Answering calls regarding licensing procedure and licensure status of individual professionals.
- Complaint Investigations: Tracking and investigating complaints that may lead to hearings and possible disciplinary action.

The table below provides general information on each board.

<u>Board</u>	<u>Licensees</u>	<u>Avg. Complaints filed per year</u>	<u>Avg. Complaint Resolution</u>	<u>Authorized FTEs</u>	<u>Staff/Management Ratio</u>
Dental	6,863	145	6 months	7.0	6 to 1
Medical	10,380	915	Years/Backlogged	20.4	10.2 to 1
Pharmacy	23,946	120	16 months	12.0	11 to 1
Nursing	49,310	400	12- 18 months	18.0	8 to 1
Professional Licensure	94,952	360	13 months	15.0	14 to 1

In FY 1978, the General Assembly approved statutory language requiring the boards to be self-supporting. Licensing boards were required to adjust fee schedules so that revenues generated would match expenditures.

Prior to State government reorganization in 1986, the Boards of Dental Examiners, Medical Examiners, Nursing Examiners and Pharmacy Examiners were autonomous departments, responsible for preparing, presenting and justifying their individual budgets and appropriations. Reorganization relocated these Boards to be placed in the Department of Public Health. However, the individual Boards retained responsibility for their respective line item appropriations within the Public Health Department's budget.

In FY 1999, the budget process changed again for the Boards when the Department of Public Health implemented Budgeting for Results, bringing the Boards under the Budgeting for Results area titled "Public Protection." This resulted in the elimination of separate line item appropriations for each board.

CURRENT SITUATION

Currently the Boards generate fees, most of which are deposited into the General Fund. They then receive an allocation from an appropriation made to the Public Protection Budgeting for Results area. Many of the Boards have stated the following concerns with the current budgeting practice:

- Lack of correlation between revenues and expenditures. If a board projects a necessary increase in expenditures for the upcoming fiscal year, statute requires that board to raise its fees. However, raising fees will not necessarily result in an increased appropriation or allocation and thus the projected expenditures will be out of balance with the projected revenues. The only way to bring the revenues and expenditures back in balance would be to reduce expenditures. This lack of correlation makes it hard to justify the fee charged to health professionals as well as takes away the incentive to raise or lower fees.
- Disparity between revenues generated and appropriations received. When the Public Protection appropriation is reduced, the boards retain less and less of a percentage of the revenues generated. **Attachment B** shows the two-year average of fee revenue generated, appropriations received, the percentage the appropriation is of the fees generated and the

expenditures of each board. This is calculated on a two-year average due to the cyclical nature of licensing and renewal.

- Combining several separate line item appropriations into one line item appropriation has made the funding and needs of the boards somewhat invisible to legislators. The Boards also state that this has raised a barrier in the lines of communication between the Boards and legislators regarding regulatory priorities, processes, and critical issues. Many parties to this issue have been interested in seeking an alternative method of providing funding to the Boards. Any alternatives explored must take into consideration the amount of fees retained each year by the General Fund for any indirect costs incurred, if the alternative is to be cost neutral.

ALTERNATIVES

1. Status Quo. The General Fund benefited on average approximately \$868,000 for FY 2001 and FY 2002, which went to pay for indirect costs of the Boards and to support other activities of State government.
2. Allow the boards to retain a set percentage of the fee revenue generated each year. The percentage could be set such that the General Fund would not be affected. This would eliminate the appropriation process for the Boards. Reasons for doing this include: predictable, stable budgets for the Boards; direct correlation between projected revenues and expenditures; better justification of fees charged to licensees; and a level playing field for all the Boards. Reasons for not pursuing this alternative include: less oversight for legislators; across-the-board budget reductions would force the Department of Public Health to spread the reductions over fewer programs; one board's loss may be another's gain initially (Example – Board x currently receives 80% of the fee revenues it generates in the way of an appropriation, and Board y receives 90% of the fee revenues it generates. If the set percentage discussed by this alternative allows all boards to retain 85% of the fee revenues generated, then Board x will receive an increase at the expense of Board y assuming the revenues retained by the General Fund remain unaffected). This would encourage the Boards to raise fees when funding is needed for a project and may provide more of a gap in funding between Boards as some will be able to easily raise revenues and some will not.
3. Combination of number one and two above. Continue the current budget practice, but allow the Boards to retain a set percentage of any revenues generated from new or increased fees. Reasons for doing this include: revenues deposited into the General Fund would not be affected and may increase from new or increased fees; improved correlation between projected revenues and expenditures; help the Boards justify fees to licensees; and continued legislative oversight. Reasons for not pursuing this alternative include: an incentive to raise fees and may increase the gap in funding between Boards as some will be able to easily raise revenues and some will not.

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Public Health Professional Licensure Boards
<http://staffweb.legis.state.ia.us/lfb/ireview/ireview.htm>
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Board	Profession	Licensees	Cost of License	License Period
Dental		6,863		
	Dentists	1,848	\$240	2 years
	Dental Hygenists	1,416	\$120	2 years
	Dental Assistants	3,599	\$60	2 years
Medical		10,380		
	Initial Physicians License	578	\$400	Up to 2 years
	Physician Renewal	9,276	\$300	2 years
	Resident Physician	503	\$25	1 year
	Acupuncturist	23	\$300	2 years
Pharmacy		23,946		
	Pharmacist	5,902	\$100	2 years
	Pharmacy Technician	4,079	\$30	2 years
	Pharmacy Intern	1,150	\$10	One time
	Controlled Substance Practitioner	12,815	\$50	2 years
Nursing		49,310		
	Registered Nurse	38,286	\$81	3 years
	Licensed Practical Nurse	9,672	\$81	3 years
	Advanced Reg. Nurse Practitioner	1,352	\$21	1 year
Professional Licensure		94,952		
	Athletic Trainers	300	\$100	2 years
	Barber			
	Barber	6,443	\$100	2 years
	Instructor	82	\$100	2 years
	Behavior Science			
	Marriage & Family Therapist	216	\$100	2 years
	Mental Health Counselor	578	\$100	2 years
	Chiropractic	3,910	\$225	2 years
	Cosmetology			
	Cosmetologist	51,167	\$50	2 years
	Electrologist	349	\$50	2 years
	Nail Technician	1,136	\$50	2 years
	Instructor	1,225	\$50	2 years
	Estheticians	97	\$50	2 years

Board	Profession	Licensees	Cost of License	License Period
Professional Licensure (cont.)				
	Dietetic	1,536	\$100	2 years
	Hearing Aide Dealers	815	\$130	2 years
	Massage Therapy	2,214	\$100	2 years
	Mortuary Science			
	Funeral Directors	2,292	\$100	2 years
	Nursing Home Administrator			
	Nursing Home Administrator	2,178	\$100	2 years
	Provisional Administrator		\$100	6 months
	Optometry	1,210	\$250	2 years
	Physical & Occupational Therapy			
	Physical Therapist	3,389	\$100	2 years
	Physical Therapist Assistant	883	\$100	2 years
	Occupational Therapist	1,486	\$100	2 years
	Occupational Therapist Assistant	653	\$100	2 years
	Physician Assistant	816	\$150	1 years
	Podiatry			
	Podiatrist	623	\$100	2 years
	Podiatric Radiologist	133	\$25	2 years
	Psychology			
	Psychologist	931	\$100	2 years
	Health Service Provider	417	\$50	2 years
	Respiratory Care			
	Respiratory Care Provider	1,788	\$100	2 years
	Social Worker	6,050	\$100	2 years
	Speech Pathology & Audiology			
	Speech Pathologist	1,487	\$100	2 years
	Audiologist	548	\$100	2 years

Board	Fees FY 99 & 00 Avg.	Appropriations FY 99 & 00 Avg.	Expenditures FY 99 & 00 Avg.	Fees Retained in General Fund FY 99 & 00 Avg.	Approp. as a % of fees generated FY 99 & 00 Avg.
Bureau of Professional Licensure	\$ 1,562,326	\$ 1,188,528	\$ 1,184,155	\$ 373,799	76.07%
Board of Dental Examiners	461,220	389,084	406,792	72,136	84.36%
Board of Medical Examiners	1,368,817	1,403,769	1,402,024	-34,952	102.55%
Board of Nursing Examiners	1,335,105	1,209,329	1,191,341	125,776	90.58%
Board of Pharmacy Examiners	892,793	851,487	830,741	41,306	95.37%
Total	\$ 5,620,260	\$ 5,042,196	\$ 5,015,052	\$ 578,065	89.71%

Board	Fees FY 01 & 02 Avg.	Appropriations FY 01 & 02 Avg.	Expenditures FY 01 & 02 Avg.	Retained in General Fund FY 01 & 02 Avg.	Percent of fees Retained by boards FY 01 & 02 Avg.
Bureau of Professional Licensure	\$ 1,482,432	\$ 1,226,936	\$ 1,135,757	\$ 255,496	82.77%
Board of Dental Examiners	544,678	526,733	504,759	17,945	96.71%
Board of Medical Examiners	1,877,945	1,669,939	1,540,441	208,006	88.92%
Board of Nursing Examiners	1,474,662	1,197,773	1,126,364	276,890	81.22%
Board of Pharmacy Examiners	924,415	814,409	756,094	110,007	88.10%
Total	\$ 6,304,131	\$ 5,435,789	\$ 5,063,414	\$ 868,342	86.23%

(See Assumptions at bottom)

Board	Fees FY 03 & 04 Avg.	Appropriations FY 03 & 04 Avg.	Expenditures FY 03 & 04 Avg.	Retained in General Fund FY 03 & 04 Avg.	Percent of fees Retained by boards FY 03 & 04 Avg.
Bureau of Professional Licensure	\$ 1,500,000	\$ 1,175,852	\$ 1,158,707	\$ 324,148	78.39%
Board of Dental Examiners	600,000	558,584	553,497	41,417	93.10%
Board of Medical Examiners	1,727,500	1,639,174	1,618,945	88,327	94.89%
Board of Nursing Examiners	1,454,450	1,158,179	1,133,409	296,271	79.63%
Board of Pharmacy Examiners	907,790	810,625	788,461	97,166	89.30%
Total	\$ 6,189,740	\$ 5,342,413	\$ 5,253,018	\$ 847,328	86.31%

Assumptions

- 1) Data for FY 03 and FY 04 are estimates.
- 2) The FY 04 budget request for the boards will be fully funded.
- 3) Salary Adjustment dollars for FY 04 will be the same amount as FY 03.
- 4) No policy or budget change will occur in FY 04.

NOTE:

- 1) The spreadsheet provides two-year averages due the cyclical nature of licensing and renewal.
- 2) Special fees retained by the boards have been added to both the Fee column and Appropriation column above.