



STATE OF MARYLAND

DHMH Board of Physicians

Maryland Department of Health and Mental Hygiene

Larry Hogan, Governor - Boyd Rutherford, Lt. Governor - Van Mitchell, Secretary

September 29, 2015

The Honorable Joan Carter Conway,
Chair
Senate Education, Health and
Environmental Affairs Committee
2 West Miller Senate Building
Annapolis, MD 21401 -1991

The Honorable Peter A. Hammen,
Chair
House Health and Government
Operations Committee
241 House Office Building
Annapolis, MD 21401 -1991

RE: CH 401 of the Acts of 2013 (HB 1096), State Board of
Physicians and Allied Health Advisory Committees – Sunset
Extension

Dear Chair Carter Conway and Chair Hammen:

Pursuant to CH 401 of the Acts of 2013, “State Board of Physicians and Allied Health
Advisory Committees – Sunset Extension and Program Evaluation,” the Maryland Board of
Physicians (“Board”) respectfully submits this report, which provides an update on:

1. Any changes to the Board’s discipline process that have been implemented and the effect of those changes on the complaint backlog and complaint resolution times;
2. The progress of the Board in procuring and implementing a new information technology system to improve data management;
3. A long-term financial plan;
4. Financial data for the preceding fiscal year; and
5. The progress of the Board in implementing the recommendations made by the Department of Legislative Services in the November 2011 publication “Sunset Review: Evaluation of the State Board of Physicians and the Related Allied Health Advisory Committees and any statutory changes affecting the Board.

If you have any questions regarding this report, please contact Wynnee E. Hawk, Maryland Board of Physicians, at 410-764-3786.

Sincerely,

A handwritten signature in black ink that reads "Devinder Singh". The signature is written in a cursive style with a large initial 'D'.

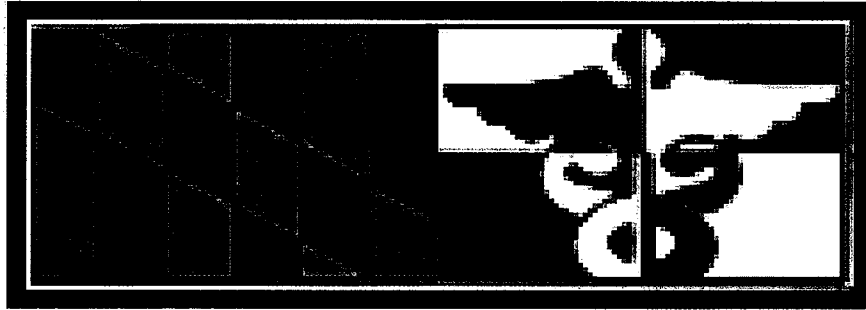
Devinder Singh, M.D.
Board Chair

Attachment:

Report on Progress of Implementing Sunset Evaluation Recommendations

cc: Van T. Mitchell, M.D., Secretary
Allison Taylor, Director of Governmental Affairs
Christine A. Farrelly, Executive Director
Shawn Cain, Chief of Staff, Office of the Secretary
Sara Fidler, Department of Legislative Services
Lisa Simpson, Department of Legislative Services

Maryland Board of Physicians



2015 Report on Progress of Implementing Sunset Evaluation Recommendations

As required by Chapter 401/HB1096
of the Acts of 2013

Devinder Singh, M.D., Chair
Christine A. Farrelly, Executive Director

INTRODUCTION

The Department of Legislative Services (DLS) completed a full sunset evaluation of the Maryland State Board of Physicians (“the Board”) and its advisory committees in November 2011.

Chapter 401 of the Acts of 2013 (House Bill 1096) codified many recommendations and extended the Board termination date to July 1, 2018. DLS is required to conduct a full evaluation of the Board by October 30, 2016.

The Board must report annually to specified committees of the General Assembly on the progress in addressing issues identified by the DLS sunset evaluation and the Perman Report.

Mission Statement

The mission of the Board of Physicians is to assure quality health care in Maryland through the efficient licensure and effective discipline of health providers under its jurisdiction, by protecting and educating clients/customers and stake holders, and enforcing the Maryland Medical Practice Act.

A. REPORTING REQUIREMENT

Chapter 401 of the Acts of 2013 (House Bill 1096) requires the Board to provide ongoing, annual updates on several issues, on or before October 1 of each year for five years. Specifically, the 2013 Sunset legislation requires the Board to report on:

1. Any changes to the Board's discipline process that have been implemented, and the effect of those changes on the complaint backlog and complaint resolution times;
2. The progress of the Board in procuring and implementing a new information technology system to improve data management;
3. A long-term financial plan;
4. Financial data for the preceding fiscal year; and
5. The progress of the Board in implementing the recommendations made by the Department of Legislative Services in the November 2011 publication "Sunset Review: Evaluation of the State Board of Physicians and the Related Allied Health Advisory Committees" and any statutory changes affecting the Board.

B. UPDATES

Board members, leadership and staff have worked collaboratively to address the issues raised in the 2011 Sunset and subsequent legislation. During the interim, the Board continuously assesses the disciplinary process, improvements in communication and innovative ideas regarding Board operations. All of these efforts continue to advance and refine the work of the Board.

Updates on each of the items specified in the Sunset legislation are provided below:

1. Changes in Board's Disciplinary Process.

In response to the Sunset legislation, the Board streamlined the disciplinary processes to eliminate redundancies and improve investigative efficiencies. Previous Sunset reports noted specific improvements.

Additionally, the Board has undertaken a variety of measures to improve communication with the Office of the Attorney General (OAG), thus expediting the process of case investigation and proceeding to closure or charging, as well as increasing opportunities for settlement.

The Maryland Medical Practice Act requires that complaints be resolved within 18 months after receipt. Md. Code Ann., Health Occupations Article, § 14-401.1(k). In February 2014, in accordance with § 14-401 of the Health Occupations Article, the Board implemented the two-panel disciplinary system. The objective of the new process was to eliminate the complaint investigation backlog; however, the backlog had already been eliminated.

Prior to implementation of the two-panel system, the Board met once a month to resolve disciplinary cases. Each disciplinary panel now meets once a month to resolve disciplinary cases,

therefore the frequency of meetings has doubled. All disciplinary complaints filed at the Board are randomly divided and assigned by the Board's technology system to both disciplinary panels.

As a result of the process improvements, the Board significantly reduced the length of investigations, and the Compliance Unit investigators cleared all backlogged cases in FY14 and FY15. As of July 1, 2015 (FY16), there is only one complaint investigation at the Board that is greater than eighteen months of age. The case was referred for peer review in accordance with Health Occupations Article, §14-401.1(c)(2), Md. Code Annotated.

2. Procuring and Implementing a New Information Technology System.

The Board is seeking to create a new, more fully integrated and modernized administrative, licensure and compliance system. The Board has outgrown the capabilities of its current software system and intends to create a new system to incorporate modern technologies, such as document imaging, work flow distribution, electronic payments, mobile computing and Internet interactions.

DHMH Office of Information Technology has approved the Information Technology Project request. This has allowed the Board to hire a Project Manager, who will review the current system and define the requirements for the future system.

The Board envisions this initiative to include a business processing re-engineering (BPR) effort, a requirements analysis, system design executed in development, data conversion, implementation, training and support. The contract will be in various phases. Once each phase is completed and accepted by the Board, the vendor may commence work on the next phase. Anticipated phases include: BPR for the Compliance and Licensure Units, the Administration, Requirements Analysis based on all BPR results, Systems design based on results from previous phases, module identification, module development, module testing, module training, module implementation and data conversion. Module development, testing, implementation and disposition of old system may occur concurrently.

The Project Manager has begun meeting with staff to review the current business processes and define the requirements for the future system. The project is currently in the concept development phase of the Software Development Life Cycle (SDLC process).

3. Long-Term Financial Plan.

The Board has decided to wait until the new IT system is developed and implemented before conducting another fiscal analysis. The new computer system is expected to automate the majority of manual services and save money by cutting down on associated costs, e.g., ordering pre-printed licenses, postage and staff time for mailing licenses, ink cartridges for printing licenses and copying costs.

In FY15, the Maryland Board of Physicians collected \$11,115,607 in revenues from licensees to conduct the business of the Board. The total operating expenses for FY15 were \$8,327,631. Md. Code Ann., Health Occupations Article, §14-207(c)(2) requires the Board to transfer 12% (twelve percent) of the collected fees for the operation of the Health Personnel Shortage Incentive Grant and

the Maryland Loan Assistance Repayment Program operated under Title 18, Subtitle 28 of the Education Article and administered by the Maryland Higher Education Commission.¹ For FY15, this assessment was \$1,357,057. Additionally, the Governor assessed the Board \$1,800,000² as a transfer to the general fund from its fund balance during FY15.

The Board is self-funded and is advised to maintain a fund balance of approximately 20-30% of its expenditures (“target surplus”) to ensure that any unanticipated shortfalls would not impact its operations. For the past five years, the Board’s fund balance has fluctuated between \$4.1 and \$5.8 million.

The Board’s fund balance going forward will be critical in achieving operational improvements and efficiencies throughout the agency. The long term IT and financial plan anticipates that upgrading the Board’s antiquated operating system, converting it from a paper-based, labor intensive system to a web-based, efficient, user-friendly system will cost a total of \$2,570,000 (over three fiscal years). This amounts to approximately 47% of the current fund balance.

In addition, the purchase and installation of a new integrated medical licensure and investigation software system – which includes a requirements analysis, configuration, development, training, testing and implementation – will result in dramatic operational changes and corresponding expenditures. The Board anticipates that the facility renovations, including the purchase of new audio/visual equipment to facilitate telecommuting for Board members, will enhance efficiency and increase expenditures. A project manager was hired at the end of FY15 to begin assessing the Board’s IT needs.

4. Financial Data for the preceding Fiscal Year.

Fiscal Data FY15

Item	Value
Authorized Positions (FTE) ³	70.1
Contractual Positions (FTE)	2.97
Beginning Fund Balance at 06/30/14	5,836,710
Revenues Collected ⁴	11,115,607
Total Expenditures B0106	(8,327,631)
Total Expenditures A0108 (IT Project)	(33,156)

During FY15, the Board experienced significant staff vacancies. There were, on average, 9 vacant positions equating to a 13% vacancy rate.

¹ The assessment is required if the Governor does not include at \$750,000 in the State budget, an allocation that has not occurred for at least the last ten years. Additionally, the Board has a biennial renewal cycle and, therefore, revenues fluctuate accordingly.

² FY15 Budget Reconciliation and Finance Act.

³ Full Time Employees

⁴ Includes a revenue transfer to the Maryland Health Care Commission of \$876,780.

5. The Board's Progress in Implementing the Sunset Recommendations.

The outstanding recommendations relate to the Board's IT Project which is underway.

Statutory Changes Affecting the Board

Chapter 34 of the Acts of 2015 (HB 574/SB 449) – State Board of Physicians – Physicians, Physician Assistants, and Allied Health Practitioners Licensure Requirements

This legislation will require all health care providers licensed by the Board to submit to a criminal history record check as a condition of licensure.

Chapter 5 of the Acts of 2015 (HB 181/SB 69) – State Board of Pharmacy – Sterile Compounding – Compliance by Nonresident Pharmacies and Repeal of Permit Requirement

Repealed the sterile compounding law as it applies to physicians.

Chapter 44 of the Acts of 2015 (HB 945/SB 626) – Registered Nurses – Local Health Departments – Requirements for Personally Preparing and Dispensing Drugs and Devices

The bill authorizes registered nurses who meet certain requirements to prepare, dispense and prescribe prescription drugs from an approved formulary for various public health purposes noted in the bill in accordance with the Nurse Practice Act. The bill relieves the Board of certain requirements under Declaratory Ruling 01-1 regarding the review and approval of applications for the delegation of dispensing authority from physicians to nurses.

Chapter 468 of the Acts of 2015 (HB 999/SB 723) – Certified Nurse Practitioners – Authority to Practice

This bill removes the requirement of an approved attestation that the nurse practitioner has an agreement for collaboration and consulting with a licensed physician.

Conclusion

The Board has made significant progress related to the 2011 Sunset Review and the requirements of the 2013 Sunset legislation. The Board recognizes that sustaining improvements is an ongoing process. The Board continues to move forward and appreciates the opportunity to provide this update to the legislature.