



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 12, 2016

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, appearing to read "Damean W.E. Freas". The signature is fluid and cursive, with the first name being the most prominent.

Damean W.E. Freas, D.O.
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
Carol Swan, Department of Legislative Services
Lisa Simpson, Department of Legislative Services
Sarah Albert, Department of Legislative Services

Maryland Board of Physicians



2016 Report on Progress of Implementing Sunset Evaluation Recommendations

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

Damean W.E. Freas, D.O., 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 stakeholders, 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.

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, 2016 (FY17), there were two complaint investigations at the Board that are greater than eighteen months of age. These cases were complicated and involved the Maryland Self-referral laws.

2. Procuring and Implementing a New Information Technology System.

The Board has contracted with a Project Manager who began in June of 2015. The Project Manager has completed a systems requirements analysis and drafted a request for proposal (RFP). The Department of Information Technology (DoIT) rejected the draft RFP and is now requiring that the Board of Physicians include all other health occupation boards in the development of an RFP and any new Information Technology (IT) system.

Because of this inclusion, the project has been significantly delayed and the actual RFP that is eventually approved and issued by DoIT may not directly address the needs of the Board of Physicians.

This past year, significant progress has been made in providing services to licensees online and through the Board's website. The Board developed an online verification of licensure system that accepts credit card payments. This converted an entirely paper-based process into an electronic one and provides licensees with an immediate verification. The Board also developed an online "registration" for naturopathic doctor licensure applicants and an online credit card payment option. This is the first time the Board has been able to offer all of these services online as part of its efforts to move away from paper-based processes and payments by checks. Because of the success, the plan is to convert other applications from paper to online. The Board has also extensively researched the Uniform Application for physicians and are exploring how best to implement this in Maryland. In addition, the IT staff completely automated the verification of licensure process.

Additionally, in FY 16 the Board added a new feature to the online renewal system to allow practitioners to print their own renewed license after submission of and payment for the license renewal application. In lieu of the Board mailing licenses, practitioners can print as many copies of their license as needed from the website for up to two years. This process can be expected to save the Board thousands of dollars by eliminating the costs of printing and mailing licenses.

Given these successes, the Board has begun exploring whether a front-end web-based system could simply be added to the Board's existing data system. This would significantly reduce the cost of updating the Board's IT system and allow processes to be completed online. If this is successful, a new IT system will no longer be required.

3. Long-Term Financial Plan.

The Board continues to enhance its fiscal processes. During the last fiscal year, Fiscal Unit staff automated the redistribution of lockbox revenue and web based revenue. Beginning in FY 17, Fiscal Unit staff will use specific revenue budget codes to post and monitor the Board's revenue by practitioner type and by service provided.

The aforementioned IT initiatives save the Board time and money through the successful automation of previously onerous manual processes. The successful automation of the license distribution process is the most significant time and money saver. As a result of recent IT initiatives, the Board now uses preprinted license forms and allows licensees to reprint their own licenses via the Board's website. The use of preprinted license forms drastically reduces the amount of money the Board spends on ink cartridges, toner, and paper. Allowing licensees to reprint their own licenses via the Board's website eliminates the need to allocate staff hours to reprint and mail duplicate licenses. Allowing licensees to reprint their own licenses via the Board's website also drastically reduces the Board's overall postage cost.

In FY 16, the Board generated \$9,576,129 in revenue which was used for the Board's FY 16 operating expenses of \$8,695,846. In addition to the Board's obligation to generate enough revenue to pay all Board expenses, Maryland Code Annotated, Health Occupation Article, §14-207(c)(2) requires the Board to transfer 12% of all collected fees to the Maryland Higher Education Commission (MHEC) during fiscal years in which the Governor does not include at least \$750,000 in the State budget for specified programs administered by MHEC. The funds transferred to MHEC are intended to fund the operation of the Health Personnel Shortage Incentive Grant (HPSIG) and the Maryland Loan Assistance Repayment Program (MLARP). As a result of the Governor's FY 16 State budget, the Board was obligated to transfer \$1,165,972 to MHEC to fund the operation of the HPSIG and the MLARP. Each of the Governor's State budgets for the last ten fiscal years has obligated the Board to transfer approximately \$1,000,000 annually to fund the operation of the HPSIG and MLARP.

As a self-funded State agency, the Board strives to maintain an annual budget surplus. By striving to generate annual revenues which exceed annual expenditures, the Board lessens its exposure to financial devastation. The Board has successfully maintained a budget surplus each fiscal year for at least the last 5 fiscal years.

In addition to the budget surplus lessening the Board's exposure to financial devastation, a portion of the budget surplus can be used to help fund operational improvements that will gradually decrease annual expenditures. A portion of the budget surplus is critical to funding the aforementioned plan to either enhance or replace the Board's current antiquated IT system. The anticipated IT system improvements will result in overall less labor intensive and less expensive Board operational processes. Using a portion of the budget surplus to fund improvements to sustain annual revenues and decrease annual expenditures allows the Board to maintain its position as a self-funded State agency with an annual budget surplus without having to increase revenue by increasing fees.

4. Financial Data for the preceding Fiscal Year.

Fiscal Data for the preceding Fiscal Year is as follows:

- Fiscal Year 2016 Revenues: \$9,576,129
- Fiscal Year 2016 Expenditures: \$8,695,846
- Fiscal Year 2016 Budget Surplus (\$): \$880,283

- Fiscal Year 2016 Budget Surplus (%): 9%

The Board collects two “pass through” fees. These are fees collected by the Board from licensees on behalf of other agencies. The first is a fee collected on behalf of the Maryland Health Care Commission (MHCC) as determined by MHCC under COMAR 10.25.03. The second is the fee collected for the Office of Controlled Substances Administration (OCSA). Maryland Code Annotated, Health Occupation Article, §12-102 requires the Board to charge a fee to approximate, but not to exceed the documented costs for inspections of dispensing permit holders. The total fee is \$1,050 (\$1,000 is collected for the OCSA for inspections. \$50 is retained by the Board as a processing fee). In addition, the the Board was obligated to transfer \$1,165,972 to MHEC to fund the operation of the Health Personnel Shortage Incentive Grant and the Maryland Loan Assistance Repayment Program.

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

The outstanding recommendations relate to the Board’s IT Project which has stalled with DoIT.

The 2016 Legislative Session – Statutory Changes Affecting the Board

The Board utilized the expertise and participation of a Board member legislative committee to review bills, provide information and position recommendations to staff on an ongoing basis. Legislation that has an impact on the Board include:

Repeal of Assessment: SB 217 – *State Board of Physicians – Distribution of Fees by Comptroller – Loan Assistance Repayment for Physicians and Physicians Assistants - Passed.* Since 1993, the Board was subject to an annual 12% assessment of revenues if the Governor did not put money in the budget to support two grant programs: Loan Assistance Repayment Program (LARP) and the Health Personnel Shortage Incentive Grant (HPSIG). Each grant program was allotted 6%, and the Maryland Higher Education Commission administered the grants. SB 217 repeals the funding for HPSIG and amends the Board assessment to a capped amount for the LARP program.

Preceptors: SB 411/HB 1494 – *Income Tax – Credit for Preceptors in Areas With Health Care Workforce Shortages - Passed.* These bills authorize an income tax credit for individuals who serve as preceptors working in rural and health care workforce shortage areas. This is a six-year pilot program, that for physician preceptors is supported by the unspent HPSIG funds and for nurse practitioner preceptors, by a fee collected by the Board of Nursing.

Naturopaths: SB 806 - *State Board of Physicians – Naturopathic Doctors – Establishment of Naturopathic Doctors Formulary Council and Naturopathic Formulary – Passed.* This proposal establishes a Naturopathic Doctors Formulary Council (Council) within the Board. The Council is to develop and recommend to the Board a formulary for use by licensed naturopathic doctors. With a few exceptions, oxygen, autoinjectable epinephrine, diaphragms and cervical caps, the formulary may not include prescription drugs or devices or controlled substances. The Board is to appoint the Council by October 1, 2016.

Reciprocity: SB 1020/HB 998 – *State Board of Physicians – Physician Licensing Reciprocity - Passed*. SB 1020/HB 998 authorizes the Board to adopt regulations to license an applicant from another jurisdiction if the licensure requirements are determined to be substantially equivalent to Maryland and the applicant is in good standing in the other jurisdiction. The Board will develop an application and set the appropriate fee.

Exemption from Licensure: HB 119 - *State Board of Physicians – Licensing Exemption – Physicians With Traveling Athletic and Sports Teams – Passed*. HB 119 creates an exemption for a physician from state licensure requirements if they have an active, unrestricted license in another jurisdiction, reside in another jurisdiction, and are designated as a team physician by an athletic or sports team based outside the State. The physician is limited to treating only the team’s members, band members, cheerleading squad, mascot, coaches, and other staff traveling with the team.

Continuing Education: HB 185 – *State Board of Physicians – Licensed Physicians – Continuing Education Requirements – Passed*. This bill prohibits the Board from establishing a continuing education requirement that every licensed physician must complete a specific course or program, as a condition of license renewal.

Athletic Trainers: HB 232/SB 605 – *Athletic Trainers – Evaluation and Treatment Protocols – Approval – Passed*. The bills allow an athletic trainer to assume duties under an evaluation and treatment protocol after receiving a written recommendation of approval from the Athletic Trainer Advisory Committee (ATAC), as long as it does not include specialized tasks or the specialized tasks have been previously approved by the Board. Before this legislation, an athletic trainer could not start work until the Board approved the evaluation and treatment protocol.

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.