

# ARKANSAS STATE MEDICAL BOARD

## Enabling Laws

Act 85 of 12

A.C.A. §17-95-202; A.C.A. §17-95-301

A.C.A. §17-88-201; A.C.A. §17-95-704

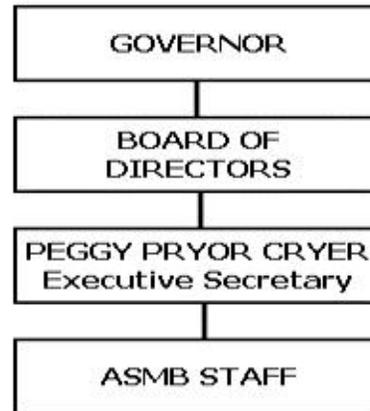
A.C.A. §17-99-201; A.C.A. §17-105-118

## History and Organization

In 1955 the General Assembly of the State of Arkansas abolished the three existing medical examining boards to create a single board, namely the Arkansas State Medical Board. A fourteen (14) member Board of Directors appointed by the Governor for six (6) year terms governs it, consisting of twelve (12) physicians and two (2) consumer representatives. In 1971 the Arkansas Osteopathic Board was abolished, and the Arkansas State Medical Board was given the duty of licensing all Osteopathic physicians formerly licensed by the Osteopathic Board. In 1991 a practitioner of Osteopathic medicine was established as a permanent member of the Board of Directors for the Arkansas State Medical Board. In 1995 legislation was passed implementing the State of Arkansas Centralized Credentials Verification Service (CCVS). This Act established a central repository of physicians' credentials in the Arkansas State Medical Board office. In 1999, Act 1066 of 1995 was replaced by Act 1410, which mandated the use of this data repository by all credentialing organizations, hospitals, insurance companies, HMO's (in state and out of state) after specific criteria had been met. This program, which may serve as a model for other states, was designed and developed with the Arkansas State Medical Board. The criterion for implementation of the mandate phase of Act 1410 was met in August 2001, allowing the Board to set the implementation date of January 1, 2002.

The Board licenses and regulates physicians, physician assistants, doctors of osteopathy, occupational therapists, occupational therapy assistants, respiratory therapists, radiologist assistants, and radiology practitioner assistants. The Board also registers medical corporations. Licensure is by credentials, or by those who have successfully passed an examination approved by the Arkansas State Medical Board as set forth in their rules and regulations. Applications are processed by the office of the Executive Secretary, and then presented to the Board for their approval. The Board convenes bi-monthly and conducts all hearings on disciplinary actions as authorized and directed by the Arkansas Medical Practices Act. Under concepts of due process of law, each disciplinary hearing must be preceded by a formal notice, which is prepared by the Board attorney and then issued by the Executive Secretary. Each disciplinary charge is scheduled for a formal hearing before the Board and any citizen filing a charge or complaint against a physician before the Board is afforded a hearing. Any person attempting to practice medicine, respiratory care, occupational therapy, or as a physician assistant, radiologist assistant, or radiology practitioner assistant without being properly licensed, is subject to judicial action by the Board.

The Board is a cash agency and entirely self-supporting. The Board's revenues are received by fees charged for licensure, annual renewals, fines, credentialing requests, issuance of special certificates and permits, and requests for the Board Online Directories which list in real time all physicians, therapists, radiologist assistants, and physician assistants currently licensed by the Board.



### **Agency Commentary**

The Arkansas State Medical Board was given the charge of protecting the health, safety, and welfare of the citizens of the State of Arkansas by the General Assembly, with the goal that all citizens be provided the highest quality health care. The operations of the Board are funded from the receipt of fees charged by this agency.

The Board is asking for the following increases above Base Level:

### **Operating Expenses**

An increase of \$44,000 in FY14 to cover an annual \$33,000 maintenance contract for several out of warranty pieces of equipment, and \$11,000 to cover the increase in our rent of facilities expense.

An increase of \$52,000 in FY15 to cover same \$33,000 annual maintenance contract for out of warranty equipment, and a \$19,000 increase to our rent of facilities expense.

## Capital Outlay

A request of \$50,000 in FY14 to purchase/replace our Watchguard Firebox (\$5,000), replace our primary database and analysis server (\$30,000), replace database management software (\$10,000), and replace a Proliant network server (\$5,000).

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE MEDICAL BOARD  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

## State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

## Employment Summary

	Male	Female	Total	%
White Employees	5	29	34	89 %
Black Employees	0	4	4	11 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	11 %
Total Employees			38	100 %

## Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
3180000	\$100,000	CD	Metropolitan Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, credentialing fees.

Fund Balance Utilization:

To pay all Board and C CVS expenses including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
3180000	\$100,000	CD	Eagle Bank & Trust, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, credentialing fees.

Fund Balance Utilization:

To pay all Board and C CVS expenses, including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
3180000	\$507,610	CD	Bank of the Ozarks, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, credentialing fees.

Fund Balance Utilization:

To pay all Board and C CVS expenses, including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
3180000	\$196,934	CD	Parkway Bank, Portland, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, credentialing fees.

Fund Balance Utilization:

To pay all Board and C CVS expenses, including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
3180000	\$200,000	CD	Bank of England, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, credentialing fees.

Fund Balance Utilization:

To pay all Board and C CVS expenses, including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
3180000	\$800,000	CD	First Security Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, credentialing fees.

Fund Balance Utilization:

To pay all Board and C CVS expenses, including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
3180000	\$1,071	Checking	Regions Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, CCVS credentialing fees.

Fund Balance Utilization:

To pay all Board and CCVS expenses including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
3180000	\$466,756	Checking	Metropolitan Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, CCVS credentialing fees.

Fund Balance Utilization:

To pay all Board and CCVS (Centralized Credentials Verification Service) expenses, including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
3180000	\$200,000	CD	Centennial Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

License renewals, application fees, temp permits, late fees, certifications, board fines, investments interest, credentialing fees.

Fund Balance Utilization:

To pay all Board and C CVS expenses, including Board meetings, disciplinary hearings, complaint investigations, and all agency operations.

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Fund Account	Balance	Type	Location
PMB0100	\$4,809	Payroll	State Treasury

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Transfer funds from Operating Account in Fund 3180000

Fund Balance Utilization:

To pay all payroll, retirement, group insurance, board member stipends, workers comp, and unemployment insurance expenses.

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Newsletter	A.C.A. §17-95-201	N	N	40,000	Update licensees, boards, and health related organizations.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
41	38	3	41	0	7.32 %	41	39	2	41	0	4.88 %	41	40	1	41	0	2.44 %

## **Analysis of Budget Request**

**Appropriation:** A23 - St Medical-Operations

**Funding Sources:** 318 - Medical Board-Cash

The Arkansas State Medical Board is funded from fees charged by the Agency, as authorized by A.C.A. §17-88-304. The Board licenses and regulates physicians, physician assistants, doctors of osteopathy, physician assistants, occupational therapists and respiratory therapists. The Board also registers medical corporations. The goal of the Medical Board is that all citizens be provided the highest quality health care.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

The Board is currently authorized 41 full-time positions and one extra help position as well as maintenance and operation expenses totaling \$3,429,263 each year of the biennium.

The Agency change level request totals \$94,000 in FY14 and \$52,000 in FY15 and includes the following:

- \$44,000 in FY14 and \$52,000 in FY15 in Operating Expenses appropriation due to increased rent and an annual maintenance contract on several out of warranty pieces of equipment.
- \$50,000 in FY14 only in Capital Outlay to replace a Watchguard Firebox, a primary database and analysis server, database management software, and a Proliant network server. These requests are located in the Agency IT Plan under the Tab - IT Support Costs.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** A23 - St Medical-Operations

**Funding Sources:** 318 - Medical Board-Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,543,558	1,500,159	1,594,491	1,506,642	1,506,642	1,506,642	1,506,642	1,506,642	1,506,642
<b>#Positions</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>
Extra Help 5010001	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>#Extra Help</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching 5010003	527,409	526,191	518,652	537,941	537,941	537,941	537,941	537,941	537,941
Operating Expenses 5020002	1,206,712	1,185,180	1,185,180	1,185,180	1,229,180	1,229,180	1,185,180	1,237,180	1,237,180
Conference & Travel Expenses 5050009	5,047	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees 5060010	305,989	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	2,991	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Outlay 5120011	228,718	5,000	5,000	0	50,000	50,000	0	0	0
<b>Total</b>	<b>3,820,424</b>	<b>3,416,030</b>	<b>3,502,823</b>	<b>3,429,263</b>	<b>3,523,263</b>	<b>3,523,263</b>	<b>3,429,263</b>	<b>3,481,263</b>	<b>3,481,263</b>
<b>Funding Sources</b>									
Fund Balance 4000005	2,929,442	2,577,180		2,894,948	2,894,948	2,894,948	3,198,685	3,104,685	3,104,685
Cash Fund 4000045	3,468,162	3,733,798		3,733,000	3,733,000	3,733,000	3,733,000	3,733,000	3,733,000
<b>Total Funding</b>	<b>6,397,604</b>	<b>6,310,978</b>		<b>6,627,948</b>	<b>6,627,948</b>	<b>6,627,948</b>	<b>6,931,685</b>	<b>6,837,685</b>	<b>6,837,685</b>
Excess Appropriation/(Funding)	(2,577,180)	(2,894,948)		(3,198,685)	(3,104,685)	(3,104,685)	(3,502,422)	(3,356,422)	(3,356,422)
<b>Grand Total</b>	<b>3,820,424</b>	<b>3,416,030</b>		<b>3,429,263</b>	<b>3,523,263</b>	<b>3,523,263</b>	<b>3,429,263</b>	<b>3,481,263</b>	<b>3,481,263</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 biennium.

## Change Level by Appropriation

**Appropriation:** A23 - St Medical-Operations  
**Funding Sources:** 318 - Medical Board-Cash

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,429,263</b>	<b>41</b>	<b>3,429,263</b>	<b>100.0</b>	<b>3,429,263</b>	<b>41</b>	<b>3,429,263</b>	<b>100.0</b>
C01	Existing Program	11,000	0	3,440,263	100.3	19,000	0	3,448,263	100.6
C08	Technology	83,000	0	3,523,263	102.7	33,000	0	3,481,263	101.5

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,429,263</b>	<b>41</b>	<b>3,429,263</b>	<b>100.0</b>	<b>3,429,263</b>	<b>41</b>	<b>3,429,263</b>	<b>100.0</b>
C01	Existing Program	11,000	0	3,440,263	100.3	19,000	0	3,448,263	100.6
C08	Technology	83,000	0	3,523,263	102.7	33,000	0	3,481,263	101.5

### Justification

C01	The Board is requesting an increase in Operating Expenses of \$11,000 for FY14 and \$19,000 for FY15 to cover the increase in our Rent of Facilities.
C08	The Board is requesting an increase in Operating Expenses of \$33,000 for both FY14 & FY15 for an annual maintenance contract on several out of warranty pieces of equipment. The Board is also requesting \$50,000 in Capital Outlay for FY14 to replace an out of warranty and expiring life cycle Watchguard Firebox (\$5,000), a primary database and analysis server (\$30,000), a database management software (\$10,000), and a Proliant network server (\$5,000). These requests are located in the Agency IT Plan under the Tab - IT Support Costs.