

# ARKANSAS STATE MEDICAL BOARD

## **Enabling Laws**

Act 225 of 2016

A.C.A. §17-95-202; A.C.A. §17-95-301

A.C.A. §17-88-201; A.C.A. §17-95-704

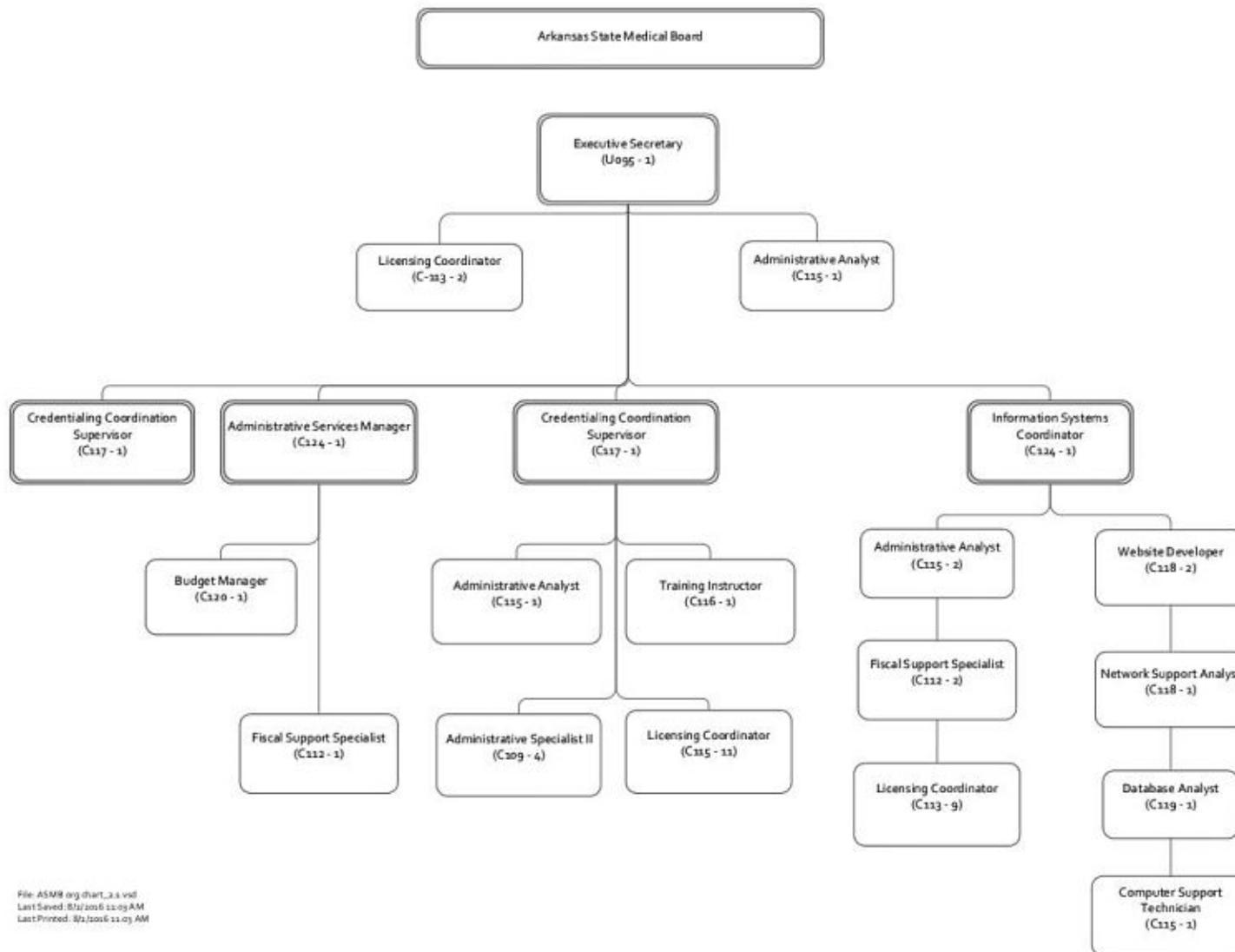
A.C.A. §17-99-201; A.C.A. §17-105-118

## **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 Boards 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.



File: ASMB.org.chart\_1.1.vsd  
 Last Saved: 8/12/2016 11:09 AM  
 Last Printed: 8/12/2016 11:09 AM

## **Agency Commentary**

The General Assembly empowered the Arkansas State Medical Board with the responsibility of ensuring the citizens of this state that those licensed by this Board meet and maintain high standards when providing the health care needs for the citizens of this state. The Board achieves this goal through the licensing and disciplinary process as well as by applying the laws and regulations passed by the Legislature. The agency further protects the citizens of this state by providing licensing data to all hospitals and insurance companies in the state for credentialing purposes. During the FY16-FY17 biennium, the agency reorganized several sections to better serve the medical community and their patients by reducing the time necessary to license healthcare professionals.

### **Operating Expenses - Character 02**

The agency is requesting base level as no additional expenses are foreseen. The number of applications received has increased by 20%, and the number of licenses granted has increased 44% over the past year. While these increases are large, our consolidation of processes has allowed the agency to maintain operating expenses at base level. This commitment item also provides appropriation and funding as outlined in special language to assist in educational programs for health care professionals. The special language further states that \$25.00 from each licensed physician licensed by the State Medical Board each year is to be paid to Arkansas foundations that have health care professionals on their board to provide for identification, treatment and monitoring of health care professionals that suffer from alcohol or drug abuse problems.

### **Conference and Travel - Character 09**

The agency is asking for base level for character 09. This appropriation is usually used by the agency director to attend national conferences and seminars to collaborate with other state medical boards. The agency's long term director retired at the beginning of FY17 and due to changes being implemented in the agency, the outgoing director was unable to attend these events in FY16, resulting in very little of this appropriation being used in FY16. However, it will be necessary for the new agency director to attend these functions and therefore the agency is requesting base level.

### **Professional Fees - Character 10**

The agency is asking for base level for professional fees. This will provide appropriation for two professional service contracts and a survey fee. The first is a legal contract that is necessary for medical legal representation of the agency which is not available through the Office of the Attorney General. The second is an IT consulting contract that allows for the IT Department to update systems built specifically for the agency. Additionally, the agency is required by statute to pay a semi-annual survey fee to the National Certification of Quality Assurance (NCQA) to maintain accreditation.

### **Capital Outlay - Character 11**

The agency is requesting \$191,765 in Capital Outlay for FY18. This request is to purchase new IT hardware, software, and support to replace

equipment that is scheduled to be rotated off our inventory in FY18. This rotation schedule is part of our approved IT plan. The Capital Outlay request for FY19 is \$29,960 and will be used to purchase server software. This purchase is part of the Board's approved IT plan.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS STATE MEDICAL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2015

Findings	Recommendations
None	None

**State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016**

None

**Employment Summary**

	Male	Female	Total	%
White Employees	5	27	32	78 %
Black Employees	0	9	9	22 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			9	22 %
Total Employees			41	100 %

## **Cash Fund Balance Description as of June 30, 2016**

Fund Account	Balance	Type	Location
3180000	\$250,000	Certificate of Deposit	Iberia Bank, Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year.

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budget.

---

Fund Account	Balance	Type	Location
3180000	\$700,000	Certificate of Deposit	Bank of England, Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law.

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year.

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budget.

---

Fund Account	Balance	Type	Location
3180000	\$200,000	Certificate of Deposit	Centennial Bank, Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines and Penalties as established in law

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budget.

---

Fund Account	Balance	Type	Location
3180000	\$1,931,095	Checking	Simmons Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budget.

---

Fund Account	Balance	Type	Location
3180000	\$196,930	Certificate of Deposit	Parkway Bank, Portland, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law.

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year.

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budget.

---

Fund Account	Balance	Type	Location
3180000	\$307,949	Certificate of Deposit	Bank of the Ozarks, Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law.

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year.

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budget.

---

Fund Account	Balance	Type	Location
3180000	\$100,000	Certificate of Deposit	Eagle Bank and Trust, Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budgeting

---

Fund Account	Balance	Type	Location
3180000	\$800,000	Certificate of Deposit	First Security Bank, Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law.

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year.

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budget.

---

Fund Account	Balance	Type	Location
3180000	\$250,000	Certificate of Deposit	Arvest Bank, Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law

Revenue Receipts Cycle:

Fees and penalties are collected throughout the year.

Fund Balance Utilization:

Fund balance each year is carried forward to support the Board's operating budget.

---

Fund Account	Balance	Type	Location
PMB0100	\$24,811	Payroll	State Treasury

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-95-402 and 17-95-411 Fees, Fines & Penalties as established in law

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.

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
A23 St Medical-Operations	3,811,538	44	3,802,900	45	3,808,201	45	3,814,964	45	4,006,729	45	4,006,729	45	3,817,910	45	3,847,870	45	3,847,870	45
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
N56 Legal Fees	97,612	0	0	0	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,909,150</b>	<b>44</b>	<b>3,802,900</b>	<b>45</b>	<b>4,008,201</b>	<b>45</b>	<b>3,814,964</b>	<b>45</b>	<b>4,006,729</b>	<b>45</b>	<b>4,006,729</b>	<b>45</b>	<b>3,817,910</b>	<b>45</b>	<b>3,847,870</b>	<b>45</b>	<b>3,847,870</b>	<b>45</b>

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance 4000005	4,404,150	50.8	4,760,785	56.3			4,653,462	55.7	4,653,462	55.7	4,653,462	55.7	4,538,498	55.1	4,346,733	54.0
Cash Fund 4000045	4,265,785	49.2	3,695,577	43.7			3,700,000	44.3	3,700,000	44.3	3,700,000	44.3	3,700,000	44.9	3,700,000	46.0
<b>Total Funds</b>	<b>8,669,935</b>	<b>100.0</b>	<b>8,456,362</b>	<b>100.0</b>			<b>8,353,462</b>	<b>100.0</b>	<b>8,353,462</b>	<b>100.0</b>	<b>8,353,462</b>	<b>100.0</b>	<b>8,238,498</b>	<b>100.0</b>	<b>8,046,733</b>	<b>100.0</b>
Excess Appropriation/(Funding)	(4,760,785)		(4,653,462)				(4,538,498)		(4,346,733)		(4,346,733)		(4,420,588)		(4,198,863)	
<b>Grand Total</b>	<b>3,909,150</b>		<b>3,802,900</b>				<b>3,814,964</b>		<b>4,006,729</b>		<b>4,006,729</b>		<b>3,817,910</b>		<b>3,847,870</b>	

## Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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	42	0	42	-1	-2.44 %	45	44	1	45	0	2.22 %	45	42	3	45	0	6.67 %

Budget Number of Positions may exceed the Authorized Number due to transfers from the Agency Growth Pool.

## **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 include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

Base Level includes 45 full-time positions and two extra help positions as well as maintenance and operation expenses totaling \$3,814,964 in FY18 and \$3,817,910 in FY19.

The Agency Change Level request totals \$191,765 in FY18 and \$29,960 in FY19 and includes the following increase:

- Technology related Capital Outlay totaling \$191,765 in FY18 and \$29,960 in FY19 to replace aging data processing equipment, software and data systems which support agency licensing, compliance monitoring, enforcement activities and provide off-site data storage of backups for disaster recovery. This change is compliant with the Agency's Information Technology (IT) Plan.

The Technology related requests are documented in the Agency's Information Technology (IT) Plan (page 10).

The Executive Recommendation provides for 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		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,495,172	1,607,766	1,599,086	1,618,547	1,618,547	1,618,547	1,620,947	1,620,947	1,620,947
<b>#Positions</b>		<b>44</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
Extra Help	5010001	19,692	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500
<b>#Extra Help</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	586,131	573,954	587,935	590,237	590,237	590,237	590,783	590,783	590,783
Operating Expenses	5020002	1,219,722	1,378,180	1,378,180	1,378,180	1,378,180	1,378,180	1,378,180	1,378,180	1,378,180
Conference & Travel Expenses	5050009	940	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Professional Fees	5060010	141,606	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	3,885	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Outlay	5120011	344,390	15,000	15,000	0	191,765	191,765	0	29,960	29,960
<b>Total</b>		<b>3,811,538</b>	<b>3,802,900</b>	<b>3,808,201</b>	<b>3,814,964</b>	<b>4,006,729</b>	<b>4,006,729</b>	<b>3,817,910</b>	<b>3,847,870</b>	<b>3,847,870</b>

Funding Sources										
Fund Balance	4000005	4,404,150	4,760,785		4,653,462	4,653,462	4,653,462	4,538,498	4,346,733	4,346,733
Cash Fund	4000045	4,168,173	3,695,577		3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
Total Funding		8,572,323	8,456,362		8,353,462	8,353,462	8,353,462	8,238,498	8,046,733	8,046,733
Excess Appropriation/(Funding)		(4,760,785)	(4,653,462)		(4,538,498)	(4,346,733)	(4,346,733)	(4,420,588)	(4,198,863)	(4,198,863)
<b>Grand Total</b>		<b>3,811,538</b>	<b>3,802,900</b>		<b>3,814,964</b>	<b>4,006,729</b>	<b>4,006,729</b>	<b>3,817,910</b>	<b>3,847,870</b>	<b>3,847,870</b>

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,814,964</b>	<b>45</b>	<b>3,814,964</b>	<b>100.0</b>	<b>3,817,910</b>	<b>45</b>	<b>3,817,910</b>	<b>100.0</b>
C08	Technology	191,765	0	4,006,729	105.0	29,960	0	3,847,870	100.8

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,814,964</b>	<b>45</b>	<b>3,814,964</b>	<b>100.0</b>	<b>3,817,910</b>	<b>45</b>	<b>3,817,910</b>	<b>100.0</b>
C08	Technology	191,765	0	4,006,729	105.0	29,960	0	3,847,870	100.8

### Justification

C08	The Board is requesting a total of \$191,765.00 in Capital Outlay for FY18. This request is to purchase new IT hardware, software, and support to replace equipment that is scheduled to be rotated off of our inventory in FY18. This rotation schedule is part of our approved IT plan. The Capital Outlay request for FY19 is \$29,960 and will be used to purchase server software. This purchase is part of Board's approved IT plan.
-----	--

## Appropriation Summary

**Appropriation:** N56 - Legal Fees

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Legal Fees 5900046	97,612	0	200,000	0	0	0	0	0	0
Total	97,612	0	200,000	0	0	0	0	0	0
<b>Funding Sources</b>									
Cash Fund 4000045	97,612	0		0	0	0	0	0	0
Total Funding	97,612	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	97,612	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM