

# STATE MEDICAL BOARD

## Enabling Laws

Act 352 of 2003  
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

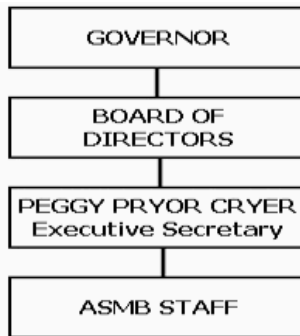
In 1955 the General Assembly of the State of Arkansas abolished the three existing medical examining boards to create a single board, namely the Arkansas State Medical Board. A thirteen (13) member Board of Directors appointed by the Governor governs it for a term of eight (8) years, consisting of eleven (11) 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 depository 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 depository 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, physician assistants, occupational therapists, and respiratory therapists. 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.

The Board 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 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 Directory which is compiled annually and lists all physicians,

therapists, 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 receipts of fees charged by the agency. Base Level is requested for the 2005-2007 biennium with the following Change Level requests:

**Regular Salaries:** An increase in salaries of \$52,657 in FY06 and \$54,076 in FY07 for an extraordinary salary increase for our IT Director and a new position of Network Administrator for the IT Department.

**Capital Outlay:** A request for \$62,500 for FY06 and \$53,000 for FY07 for replacement of out of warranty and expired life cycle servers and equipment.

**Travel -Conference Fees:** An increase of \$13,000 for both FY06 and FY07 for training of IT Department personnel to keep them abreast of changing technology, and training and industry conferences for other Board employees.

**Operating Expenses:** An increase of \$195,500 for FY06 to carry forward additional operating expenses approved in FY05. An increase of \$295,500 for FY07 to carry forward additional operating expenses of \$195,500 approved in FY05, and \$100,000 for replacement of out of warranty and expired life cycle software and workstations, and to purchase laptop computers for the Board members to use in case file reviews.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE MEDICAL BOARD  
FOR THE YEAR ENDED JUNE 30, 2003

Findings

Recommendations

None

None

## Employment Summary

	Male	Female	Total	%
White Employees	4	21	25	78 %
Black Employees	0	7	7	22 %
Other Racial Minorities	0	0	0	0 %
			Total Minorities	7 22%
			Total Employees	32 100 %

## Cash Fund Balance Description as of June 30, 2004

Fund Account	Balance	Type	Location
3180000	\$100,471	CD, Checking	Delta Trust, LR

Statutory/Other Restrictions on use:

A.C.A. §17-95-305

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §17-95-305

Revenue Receipts Cycle:

Birth month of licensees, renewal of licenses throughout the year. Endorsements, temp permits, late fees, publications, interest on investments, certifications, CCVS, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and office operations.

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Fund Account	Balance	Type	Location
7006101	\$90,000	CD	Portland Bank

Statutory/Other Restrictions on use:

A.C.A. §17-95-305

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §17-95-305

Revenue Receipts Cycle:

Birth month of licensees, renewal of licenses throughout the year. Endorsements, temp permits, late fees, publications, interest on investments, certifications, CCVS, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and office operations.

Fund Account	Balance	Type	Location
7006102	\$97,992	CD	Eagle Bank, LR

Statutory/Other Restrictions on use:

A.C.A. §17-95-305

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §17-95-305

Revenue Receipts Cycle:

Birth month of licensees, renewal of licenses throughout the year. Endorsements, temp permits, late fees, publications, interest on investments, certifications, CCVS, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and office operations.

Fund Account	Balance	Type	Location
7006103	\$100,000	CD	Metropolitan Bank, LR

Statutory/Other Restrictions on use:

A.C.A. §17-95-305

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §17-95-305

Revenue Receipts Cycle:

Birth month of licensees, renewal of licenses throughout the year. Endorsements, temp permits, late fees, publications, interest on investments, certifications, CCVS, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and office operations.

Fund Account	Balance	Type	Location
7006104	\$2,197	Checking	Regions Bank, LR

Statutory/Other Restrictions on use:

A.C.A. §17-95-305

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §17-95-305

Revenue Receipts Cycle:

Birth month of licensees, renewal of licenses throughout the year. Endorsements, temp permits, late fees, publications, interest on investments, certifications, CCVS, board fines.

**Fund Balance Utilization:**

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and office operations.

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Fund Account	Balance	Type	Location
7006105	\$309,161	Checking	Metropolitan Bank, LR

**Statutory/Other Restrictions on use:**

A.C.A. §17-95-305

**Statutory Provisions for Fees, Fines, Penalties:**

A.C.A. §17-95-305

**Revenue Receipts Cycle:**

Birth month of licensees, renewal of licenses throughout the year. Endorsements, temp permits, late fees, publications, interest on investments, certifications, CCVS, board fines.

**Fund Balance Utilization:**

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and office operations.

**Publications**

**A.C.A 25-1-204**

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
AR Medical Practices Act	A.C.A. §17-95-201	N	N	1,000	Required licensure information.
Directory	A.C.A. §17-95-201	N	N	10,000	Update licensees, boards and health related organizations for Public use.
Newsletter	A.C.A. §17-95-201	N	N	40,000	Update licensees, boards, and health related organizations.

## **Analysis of Budget Request**

**Appropriation / Program:** A23 - St Medical-Oprs

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

The State Medical Board is funded with fees charged by the Agency, as authorized by Arkansas Code §17-88-304. The Medical Board's request includes a Base Level of \$2,326,317 for FY06 and \$2,369,245 for FY07.

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for thirty-four (34) Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Medical Board's request is for Base Level plus Change Level requests of \$338,959 in FY06 and \$431,188 in FY07.

Position requests includes one (1) new position, a Network Administrator at \$38,000 in FY06 & \$39,140 in FY07. This position will handle several IT related issues in the office regarding the new credentialing software the Medical Board has acquired. The Board is also requesting an Extraordinary Salary Increase for the Lead Systems Programmer in the amount of \$17,847 in FY06 & \$18,187 in FY07, Personal Services Matching included, for a substantial increase in time, responsibilities, duties, and work load which relates to the new credentialing software acquired as well as existing IT related issues.

Operations requests include \$195,500 each year for carry forward expenses approved in FY04 and FY05 from the DFA Cash Fund Holding Account, as well as \$3,000 each year for Travel Expenses. An increase is requested for \$72,500 in FY06 & \$163,000 in FY07 allocated between Data Processing Supplies, Capital Outlay, & Travel & Conference Fees. These requests will be used to replace servers, data equipment, workstations, & software that will expire and have unattainable warranties, and provide for the IT department to attend training to keep them abreast of changing technology and how to implement and utilize it.

The Executive Recommendation provides for the Base Level as well as the \$195,500 each year the Agency received from the DFA Cash Holding Account and Capital Outlay of \$62,500 in FY06 & \$53,000 in FY07 to replace IT equipment. Expenditure of appropriation is contingent upon available funding.

## Appropriation / Program Summary

**Appropriation / Program:** A23 St Medical-Oprs  
**Funding Sources:** 318-Medical Board-Cash

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	848,769	1,156,921	991,500	1,191,188	1,243,845	1,191,188	1,226,442	1,280,518	1,226,442
<b>#Positions</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>34</b>
Extra Help 5010001	3,513	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
<b>#Extra Help</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>	<b>1</b>
Personal Services Matching 5010003	262,429	366,565	273,951	390,629	405,931	390,629	398,303	413,915	398,303
Operating Expenses 5020002	688,300	790,500	595,000	595,000	790,500	790,500	595,000	890,500	790,500
Travel-Conference Fees 5050009	4,998	8,000	5,000	5,000	18,000	5,000	5,000	18,000	5,000
Professional Fees and Services 5060010	119,712	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refund/Reimbursements 5110014	7,140	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Outlay 5120011	40,603	40,000	0	0	62,500	62,500	0	53,000	53,000
<b>Total</b>	<b>1,975,464</b>	<b>2,506,486</b>	<b>2,009,951</b>	<b>2,326,317</b>	<b>2,665,276</b>	<b>2,584,317</b>	<b>2,369,245</b>	<b>2,800,433</b>	<b>2,617,745</b>
<b>Funding Sources</b>									
Fund Balance 4000005	442,551	697,026		924,346	924,346	924,346	859,070	859,070	940,029
Cash Fund 4000045	2,229,939	2,733,806		2,261,041	2,600,000	2,600,000	2,168,812	2,600,000	2,600,000
<b>Total Funding</b>	<b>2,672,490</b>	<b>3,430,832</b>		<b>3,185,387</b>	<b>3,524,346</b>	<b>3,524,346</b>	<b>3,027,882</b>	<b>3,459,070</b>	<b>3,540,029</b>
Excess Appropriation/(Funding)	(697,026)	(924,346)		(859,070)	(859,070)	(940,029)	(658,637)	(658,637)	(922,284)
<b>Grand Total</b>	<b>1,975,464</b>	<b>2,506,486</b>		<b>2,326,317</b>	<b>2,665,276</b>	<b>2,584,317</b>	<b>2,369,245</b>	<b>2,800,433</b>	<b>2,617,745</b>

The FY05 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2003-05 biennium. Budget exceeds Authorized Appropriation in Operating, Travel, & Capital Outlay due to a transfer from the Cash Fund Holding Account.

## Change Level by Appropriation

**Appropriation / Program:** A23-St Medical-Oprs  
**Funding Sources:** 318-Medical Board-Cash

### Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,326,317</b>	<b>34</b>	<b>2,326,317</b>	<b>100.0</b>	<b>2,369,245</b>	<b>34</b>	<b>2,369,245</b>	<b>100.0</b>
C01	Existing Program	198,500	0	2,524,817	108.5	198,500	0	2,567,745	108.3
C08	Technology	122,612	1	2,647,429	113.8	214,501	1	2,782,246	117.4
C15	Ex Salary Increase	17,847	0	2,665,276	114.5	18,187	0	2,800,433	118.2

### Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,326,317</b>	<b>34</b>	<b>2,326,317</b>	<b>100.0</b>	<b>2,369,245</b>	<b>34</b>	<b>2,369,245</b>	<b>100.0</b>
C01	Existing Program	195,500	0	2,521,817	108.4	195,500	0	2,564,745	108.2
C08	Technology	62,500	0	2,584,317	111.0	53,000	0	2,617,745	110.4
C15	Ex Salary Increase	0	0	2,584,317	111.0	0	0	2,617,745	110.4

### Justification

C01	Increase Operating 195,500 for FY06 & FY07 to carryforward additional operating increased expenses approved in FY04 & FY05. Increase in Travel for 3,000 in FY06 & FY07 for increase in travel expense.
C08	Increase in Data Processing Supplies for 100,000 in FY07, increase in Conferences for 10,000 in FY06 & FY07, increase in Capital Outlay of 62,500 in FY06 and 53,000 in FY07 to replace servers, data equipment, workstations, & software that will expire and have unattainable warranties, increase in travel for IT personnel to attend training to keep them abreast of changing technology and how to implement and utilize it. Agency request an additional position for the IT Department to handle new credentialing software, Medical Board Network Administrator, salary requested is 38,000 for FY06 and 39,140 for FY07.
C15	Extraordinary Salary Increase of 17,847 for FY06 and 18,187 for FY07 for the Medical Board Lead Systems Programmer.