

# ARKANSAS STATE MEDICAL BOARD

## Enabling Laws

Act 1210 of 2007

A.C.A. §17-95-202; A.C.A. §17-95-301

A.C.A. §17-88-201; A.C.A. §17-95-704

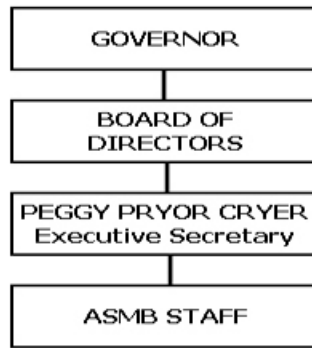
A.C.A. §17-99-201; A.C.A. §17-105-118

## 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 thirteen (13) member Board of Directors appointed by the Governor for six (6) year terms governs it, 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 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, 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 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 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 this agency. Change Level requests total \$373,080 for FY10 and \$189,327 for FY11.

**Regular Salaries**

An increase in salaries of \$113,080 in FY10 and \$115,327 in FY11 (includes matching) is for three new positions. This includes an additional Administrative Analyst and two additional Licensing Coordinators in our C CVS (Centralized Credentials Verification Service) department.

**Operating Expenses**

An increase of \$35,000 in FY10 to replace (19) out of warranty and expiring life cycle workstations, and out of warranty and expiring life cycle software.

**Professional Fees**

An increase of \$6,000 in FY10 and \$22,000 in FY11 to cover a \$6,000 increase in our Professional Consultant Services contract for Information Technology consulting services for both years as well as \$16,000 in FY11 to cover the fees paid to NCQA (National Committee for Quality Assurance) for our certification audit in C CVS. These fees are paid to NCQA every two years. These amounts were received during the current biennium from the DFA Cash Holding Account.

**Capital Outlay**

A request for \$219,000 in FY10 for replacement of out of warranty and expiring life cycle servers and workstations, a new tape library for data storage and off site backup required by NCQA, and migration to a new network infrastructure, with a corresponding area network it will be housed in. These last two improvements will allow the Board longer life cycles on our network servers (saving us money), and accommodate our move to document scanning. This in turn will give us much needed space (by eliminating filing cabinets) for the staff expansion generated by our growth, and remove the need to relocate to a much larger building, saving us untold lease and moving expenses in the future. A request for \$52,000 in FY11 to replace out of warranty and expiring life cycle workstations, servers, and Firewall.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE MEDICAL BOARD

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	4	28	32	89 %
Black Employees	0	4	4	11 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	11 %
Total Employees			36	100 %

## Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
3180000	\$906,933	CD's	First Security Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office operations.

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Fund Account	Balance	Type	Location
3180000	\$707,610	CD's	Bank of the Ozarks, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office operations.

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Fund Account	Balance	Type	Location
3180000	\$2,566	Checking	Regions Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office operations.

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Fund Account	Balance	Type	Location
3180000	\$512,334	Checking	Metropolitan National Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office operations.

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Fund Account	Balance	Type	Location
3180000	\$100,000	CD	BanCorp South, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office 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:

Licenses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office operations.

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

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office operations.

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Fund Account	Balance	Type	Location
3180000	\$90,000	CD	Parkway Bank, Portland, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office operations.

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

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all office operations.

Fund Account	Balance	Type	Location
PMB0100	\$65,441	Payroll	State Treasury

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, 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 all 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.
Newsletter	A.C.A. §17-95-201	N	N	40,000	Update licensees, boards, and health related organizations.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
34	34	0	34	0	0.00 %	38	36	2	38	0	5.26%	38	36	2	38	0	5.26 %



## Analysis of Budget Request

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

**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 positions were changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. The Medical Board Secretary/Treasurer position remained unclassified with a salary increase of 5% in FY10. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Board is currently authorized 38 full-time positions and one extra help position as well as maintenance and operation expenses. Additional requests total \$373,080 in FY10 and \$189,327 in FY11. The three additional positions will be used in the Centralized Credentials Verification Service department of the Board. The Administrative Analyst position is needed for staff training and review of credentialing orders received from clients. The two Licensing Coordinator positions are needed to address the increasing number of orders being received primarily from telemedicine physicians. These physicians work from a central location and have privileges in many small, rural facilities in the State. These physicians can have an average of 118 privileges which must be verified and then re-verified every 120 days. Total cost of the positions is \$113,080 in FY10 and \$115,327 in FY11.

Operating Expenses and Capital Outlay requests are to replace out of warranty workstations and servers as well as a new tape library for data storage and off site backup required by the National Committee for Quality Assurance (NCQA). Requests total \$254,000 in FY10 and \$52,000 in FY11.

During the current biennium, the Board received additional appropriation from the DFA Cash Holding Account for Professional Fees. The Board used the increases for consulting services and audit fees to the NCQA. Continuation of the \$6,000 in FY10 and the \$22,000 in FY11 is being requested.

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

## Appropriation Summary

**Appropriation:** A23 - St Medical-Oprs  
**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		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,244,881	1,492,472	1,486,772	1,510,587	1,592,900	1,592,900	1,544,438	1,628,643	1,628,643
<b>#Positions</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>41</b>	<b>41</b>	<b>38</b>	<b>41</b>	<b>41</b>
Extra Help 5010001	337	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	406,614	435,686	459,951	473,728	504,495	504,495	480,088	511,210	511,210
Operating Expenses 5020002	921,779	894,180	894,180	894,180	929,180	929,180	894,180	894,180	894,180
Conference & Travel Expenses 5050009	654	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees 5060010	132,270	152,000	130,000	130,000	136,000	136,000	130,000	152,000	152,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	5,545	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Outlay 5120011	60,524	49,000	49,000	0	219,000	219,000	0	52,000	52,000
<b>Total</b>	<b>2,772,604</b>	<b>3,052,838</b>	<b>3,049,403</b>	<b>3,037,995</b>	<b>3,411,075</b>	<b>3,411,075</b>	<b>3,078,206</b>	<b>3,267,533</b>	<b>3,267,533</b>
<b>Funding Sources</b>									
Fund Balance 4000005	2,252,779	2,684,884		2,832,046	2,832,046	2,832,046	2,620,971	2,620,971	2,620,971
Cash Fund 4000045	3,204,709	3,200,000		2,826,920	3,200,000	3,200,000	3,010,673	3,200,000	3,200,000
<b>Total Funding</b>	<b>5,457,488</b>	<b>5,884,884</b>		<b>5,658,966</b>	<b>6,032,046</b>	<b>6,032,046</b>	<b>5,631,644</b>	<b>5,820,971</b>	<b>5,820,971</b>
Excess Appropriation/(Funding)	(2,684,884)	(2,832,046)		(2,620,971)	(2,620,971)	(2,620,971)	(2,553,438)	(2,553,438)	(2,553,438)
<b>Grand Total</b>	<b>2,772,604</b>	<b>3,052,838</b>		<b>3,037,995</b>	<b>3,411,075</b>	<b>3,411,075</b>	<b>3,078,206</b>	<b>3,267,533</b>	<b>3,267,533</b>

FY08 Authorized amount for Capital Outlay was \$197,000. FY09 Regular Salaries exceed the authorized amount due to Career Service Payments. FY09 Professional Fees exceed the authorized amount due to additional appropriation received from the DFA Cash Holding Account.

## Change Level by Appropriation

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

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,037,995</b>	<b>38</b>	<b>3,037,995</b>	<b>100.0</b>	<b>3,078,206</b>	<b>38</b>	<b>3,078,206</b>	<b>100.0</b>
C01	Existing Program	113,080	3	3,151,075	103.7	131,327	3	3,209,533	104.3
C08	Technology	260,000	0	3,411,075	112.3	58,000	0	3,267,533	106.2

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,037,995</b>	<b>38</b>	<b>3,037,995</b>	<b>100.0</b>	<b>3,078,206</b>	<b>38</b>	<b>3,078,206</b>	<b>100.0</b>
C01	Existing Program	113,080	3	3,151,075	103.7	131,327	3	3,209,533	104.3
C08	Technology	260,000	0	3,411,075	112.3	58,000	0	3,267,533	106.2

### Justification

C01	The Board is requesting 3 additional positions for the CCVS (Centralized Credentials Verification Service) department (2 Licensing Coordinators and 1 Administrative Analyst) totaling - \$113,080 in FY10 and \$115,327 in FY11. In FY11, \$16,000 in Professional Fees is being requested to pay fees to the NCQA (National Committee for Quality Assurance). These fees are paid every two years in order to maintain the certification necessary for our CCVS program. NCQA does a complete audit of our policies and procedures in CCVS, as well as an on-site audit of the physician files involved. A cash increase request was approved during FY09 for the same purpose.
C08	In FY10 - \$35,000 in Operating Expenses to replace (19) out of warranty and expiring life cycle workstations, and out of warranty and expiring software. (Operations/Hardware and Operations/Software Tabs of the IT Plan). The Board is requesting continuation of the \$6,000 in Professional Fees received each year of the current biennium from the DFA Cash Holding Account for Information Technology consulting services. This contract enables the Board to have access to established industry best coding practices, standards for database design and development, assistance during the design, development, and implementation phase of custom built applications, training on latest coding techniques, application modeling and enterprise level database design, and knowledge of changing programming and database technologies relevant to the development environment of the Arkansas State Medical Board. This PCS contract is located in the Operations/IT Support Costs/Contracted Services Tab of the IT Plan. Capital Outlay of \$219,000 in FY10 is requested to replace (4) out of warranty and expiring life cycle workstations, (4) out of warranty and expiring life cycle servers, and a new tape library to accommodate our data storage and off site backup requirements. Included in the total amount requested for capital outlay is \$40,000 for a new network infrastructure to consolidate and greatly extend the life of our existing servers (saving us thousands of dollars over the next several years), and move away from a rack mount system so we have more capacity to expand in the future as well as \$95,000 for a Storage Area Network (SAN), for increased network storage capacity, and support of our new infrastructure we are moving to. The Board is completely out of room in the current building we lease, for any expansion in staff, filing cabinets, and IT hardware. This move to a new SAN will also allow for our move to complete document scanning, with off-site storage of the originals. This will enable the Board to utilize existing file cabinet space for staffing needs. Overall, a much less expensive alternative to moving to a larger building. We are currently working on the necessary amendments to our custom licensing and credentialing software, in order to accommodate document scanning beginning in FY10. In FY11 Capital Outlay of \$52,000 is requested for replacement of an out of warranty and expiring life cycle Firewall, (4) out of warranty and expiring life cycle servers, and one out of warranty and expiring life cycle IT workstation. Capital Outlay requests are reflected in the Operations/Hardware Tab of the IT Plan.