

ARKANSAS STATE MEDICAL BOARD

Enabling Laws

Act 115 of 10

A.C.A. §17-95-202; A.C.A. §17-95-301

A.C.A. §17-88-201; A.C.A. §17-95-704

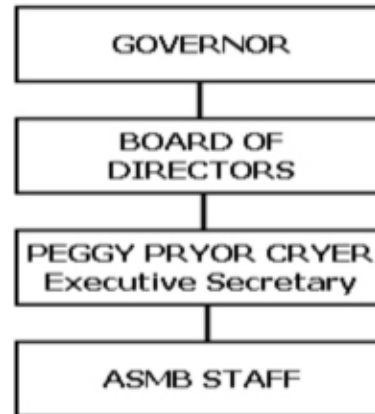
A.C.A. §17-99-201; A.C.A. §17-105-118

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 Directory which is compiled annually and lists 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 receipts of fees charged by this agency. Change Level requests total \$682,672 for FY12 and \$314,672 for FY13.

Extra Help

An increase of \$8,000 in our Extra Help position to enable the Board to hire a part time person to assist the licensing coordinators with processing of new physician applications. This person would pre-work each file by entering the initial application information into our custom licensing/renewal software, pulling various reports from the internet, and tracking other information needed.

Operating Expenses

An increase of \$289,000 in FY12 to cover overall increases in several categories of \$139,330 (cash letter approved for FY11 for 137K for

same), increase in rent which will result from a move to larger quarters in FY11 (est.124K), renew expiring software licenses costing \$21,500, and provide for software maintenance at \$4,170.

An increase of \$291,000 in FY13 to cover the increase in rent and overall increases in several categories, and \$16,500 for expiring software licenses and \$4,170 for continuing software maintenance.

Professional Fees

An increase of \$235,000 in FY12 for a total of \$297,000, of which \$240,000 is for a PCS contract for software development, database support, training, network and hardware support for multiple projects the Information Technology department has (A cash letter increase of 240K was approved for FY11 for same purposes), \$48,000 to continue a PCS contract for IT consulting services, \$6,000 for the Boards annual, independent audit, and \$3,000 for court reporter services.

An increase of \$10,000 in FY13 for a total of \$72,000. This is for the Boards \$48,000 PCS contract for IT consulting services, \$6,000 for the annual audit, \$3,000 for court reporter services, and \$15,000 for our bi-annual NCQA (National Committee for Quality Assurance) audit the Board must maintain and pass in order for its CCVS department to remain operational.

Capital Outlay

A request of \$150,000 for FY12 to replace out of warranty and expiring life cycle servers (\$30,000), a Storage Area Network (SAN) to house our off-site backup servers/equipment as required by NCQA (\$110,000), and \$10,000 to replace an out of warranty and expiring life cycle database management software.

A request of \$5,000 in FY13 to replace an out of warranty and expiring life cycle Watchguard Firebox for our firewall protection.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE MEDICAL BOARD
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

None

None

Employment Summary

	Male	Female	Total	%
White Employees	3	29	32	80 %
Black Employees	1	6	7	18 %
Other Racial Minorities	0	1	1	2 %
Total Minorities			8	20 %
Total Employees			40	100 %

Cash Fund Balance Description as of June 30, 2010

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 renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
3180000	\$2,187	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 renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
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:

Licensees birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
3180000	\$196,933	CD	Parkway Bank, Portland, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenseses birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
3180000	\$400,000	CD	Metropolitan Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
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:

Licensees birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
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:

Licensees birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
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:

Licensees birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
3180000	\$533,384	Checking	Metropolitan Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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
3180000	\$200,000	CD	Centennial Bank, Little Rock

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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	\$71,421	Payroll	State Treasury

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewed throughout the year. Endorsements, temp permits, late fees, investments interest, certifications, CCVS credetialing fees, 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

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
38	37	1	38	0	2.63 %	41	40	1	41	0	2.44 %	41	41	0	41	0	0.00 %

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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 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 \$3,069,941 each year of the biennium. Additional requests are \$682,672 in FY12 and \$314,672 in FY13.

Extra Help appropriation in the amount of \$8,672 each year is requested to enable the Board to hire part time help to assist the licensing coordinators with processing new physician applications.

During the current biennium, the Board received additional appropriation from the DFA Cash Holding Account for overall operating expenses. Continuation of this appropriation as well as appropriation for a larger office space for the Board, enforcement investigation expenses and costs associated with renewing software licenses and maintenance of software complete the Operating Expenses line item requests of \$289,000 in FY12 and \$291,000 in FY13.

The Board is requesting increases of \$235,000 in FY12 and \$10,000 in FY13 for Professional Fees. The FY12 increases will allow continuation of the contract with Software Designers, LLC which provides development services, database support and training needed for online license application, renewals and reporting. The \$10,000 increase in FY13 will be used for court recorder services and the annual audit.

Capital Outlay in the amount of \$150,000 in FY12 is requested to replace out of warranty servers (\$30,000), a Storage Area Network to house off-site data backup servers/equipment (\$110,000) and replacement of database management software (\$10,000). In FY13, \$5,000 is requested to replace an out of warranty and expiring life cycle Watchguard Firebox needed for firewall protection.

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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,437,796	1,497,793	1,628,643	1,495,181	1,495,181	1,495,181	1,495,181	1,495,181	1,495,181
#Positions		41	41	41	41	41	41	41	41	41
Extra Help	5010001	0	7,000	7,000	7,000	15,000	15,000	7,000	15,000	15,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	458,045	499,184	511,210	499,080	499,752	499,752	499,080	499,752	499,752
Operating Expenses	5020002	950,827	1,031,180	894,180	894,180	1,183,180	1,183,180	894,180	1,185,180	1,185,180
Conference & Travel Expenses	5050009	7,396	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	232,585	392,000	152,000	152,000	387,000	387,000	152,000	162,000	162,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	6,151	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Outlay	5120011	229,924	55,000	52,000	0	150,000	150,000	0	5,000	5,000
Total		3,322,724	3,504,657	3,267,533	3,069,941	3,752,613	3,752,613	3,069,941	3,384,613	3,384,613

Funding Sources										
Fund Balance	4000005	3,022,678	3,111,535		2,975,205	2,975,205	2,975,205	2,622,592	2,622,592	2,622,592
Cash Fund	4000045	3,411,581	3,368,327		2,717,328	3,400,000	3,400,000	3,085,328	3,400,000	3,400,000
Total Funding		6,434,259	6,479,862		5,692,533	6,375,205	6,375,205	5,707,920	6,022,592	6,022,592
Excess Appropriation/(Funding)		(3,111,535)	(2,975,205)		(2,622,592)	(2,622,592)	(2,622,592)	(2,637,979)	(2,637,979)	(2,637,979)
Grand Total		3,322,724	3,504,657		3,069,941	3,752,613	3,752,613	3,069,941	3,384,613	3,384,613

Budget exceeds Authorized Amount in Operating Expenses, Professional Fees and Capital Outlay due to additional appropriation received from the Cash Fund Holding Account.

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,069,941	41	3,069,941	100.0	3,069,941	41	3,069,941	100.0
C01	Existing Program	272,002	0	3,341,943	108.9	279,002	0	3,348,943	109.1
C08	Technology	410,670	0	3,752,613	122.2	35,670	0	3,384,613	110.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,069,941	41	3,069,941	100.0	3,069,941	41	3,069,941	100.0
C01	Existing Program	272,002	0	3,341,943	108.9	279,002	0	3,348,943	109.1
C08	Technology	410,670	0	3,752,613	122.2	35,670	0	3,384,613	110.3

Justification

C01	The Board is requesting an additional \$263,330 in Operating Expenses for FY12 and \$270,330 for FY13. The majority of the increase is in Rent of Facilities which will result from a move to larger quarters in FY11 (est. 124K for FY12 & 133K for FY13). The remaining request is to cover an overall increase in our operating expenses for postage, freight, phones, office equipment rentals, bank service charges, enforcement investigative expenses, office supplies, subscriptions, food purchases for board meetings, and other rents and leases. During FY11, the board received additional appropriation (\$119,330) from the DFA Cash Holding Account for these same overall increases. Additional Extra Help appropriation (\$8,000) is needed to enable the board to hire a qualified part time person (1000 hrs per year) to assist our licensing coordinators in processing new physician applications. This person would pre-work the application by entering the initial application information to MedSuite (internal custom software), pulling various reports off the internet, and tracking for other information needed. At this time, the increase in physician applications does not warrant requesting a full time position, the assistance provided by extra help personnel will allow the licensing coordinators to meet timelines and submit information to board members for approval.
C08	In FY12 - \$25,670 in Operating Expenses to renew expiring software licenses (\$21,500) and provide for software maintenance (\$4,170). Items are in the IT Support/Software section of IT Plan. During FY11, the board received additional appropriation (\$17,670) from DFA Cash Holding Account for same increases. \$150,000 in Capital Outlay to replace out of warranty and expiring life cycle servers (\$30,000), a Storage Area Network (SAN) to house our off-site data backup servers/equipment (\$110,000), and \$10,000 to replace an out of warranty and expiring life cycle database management software (IT Support/Hardware section of IT Plan). In Professional & Admin Fees the Board is asking for an additional \$235,000 for a total of \$297,000. This is so the Board can continue it's PCS contract with Software Designers for \$240,000 to provide software development services, database support, training, network and hardware support for multiple projects the Information Technology department has relating to online license application and renewal, license and report generation, regulatory/case management tracking, accounting reports, and multiple projects associates with CCVS (Centralized Credentials Verification Service) physician profile releases, tracking, audit and quality assurance tools, record locks and miscellaneous other tools and reports. During FY11, the board received additional appropriation (\$240,000) from the DFA Cash Holding Account for this same purpose. The remaining \$57,000 is for a PCS contract of \$48,000 for IT consulting services with Larry Taylor, \$6,000 for the Board's annual, independent audit, and \$3,000 for court reporter services. Professional Service requests are in the IT Support/Contracted Services section of the board's IT plan. For FY13 the Board is asking for an additional \$20,670 in Operating Expenses to cover expiring software licenses in the amount of \$16,500 and \$4,170 for continuing software maintenance needs. During FY11, the board received additional appropriation (\$17,670) from the DFA Cash Holding Account for the same purposes. The Board is requesting an additional \$10,000 in Professional & Admin Fees for a total of \$72,000. This is for the Board's \$48,000 PCS contract for IT consulting services with Larry Taylor, \$6,000 for the annual audit, \$3,000 for court recorder services, and \$15,000 for our bi-annual NCQA (National Committee for Quality Assurance) audit the Board must maintain and pass in order for it's CCVS department to remain operational. The Board is requesting \$5,000 in Capital Outlay to replace an out of warranty and expiring life cycle Watchguard Firebox for our firewall protection.