

Department of Health and Mental Hygiene
Board of Physicians
FY 2013 Budget Overview

The Maryland Board of Physicians (Board) is the agency responsible for licensure and discipline of physicians and 5 groups of allied health professionals in Maryland. At the end of 2011, there were 27,768 physicians and 12,452 allied health professionals with active Maryland licenses.

The key to ensuring that Marylanders have access to the best health care providers is through a strong licensure process. Approximately 1500 new physician licenses and 1,000 new allied health licenses are issued each year. The Board issues license renewals every two years with approximately 19,000 renewals processed each year.

The compliance unit of the Board is responsible for investigating complaints against physicians and allied health professionals. Complaints come from patients or consumers, other state or local enforcement agencies, required reports from hospitals who take “adverse” actions against providers (e.g., terminating privileges), malpractice settlements meeting certain criteria, and others. All complaints are reviewed by staff and by a committee of Board members who decide whether to proceed with further investigation or peer review.

MBP has handled several major cases against physicians in the past year, with actions including summary suspension and revocation of the physician’s license to practice. The Board continues its efforts to reduce the backlog of cases and reduce the time from receipt of a complaint to final action by the Board. The timeframe for this measurement includes time for an investigation and the time for several processes external to the Board, including peer review evaluation of standard of care cases, preparation of charges by the administrative prosecutors, administrative hearings under the Office of Administrative Hearings, and preparation of the final order by the Board counsel. The Board’s statute contains language stating that it is the *intent* of statute that disciplinary cases be completed within 18 months. Similarly, the courts have stated that the 18 month timeframe is directory, not mandatory. Indeed, for contested cases where the physician and his/her lawyer are engaged in each step of the process, 18 months is closer to a minimum timeframe.

The Maryland Board of Physicians, with a FY 2013 budget allowance of \$8.8 million, is funded entirely through fee collections for licenses, delegation agreements, dispensing permits, or other services provided by the Board to its licensees. In addition to supporting the direct expenses of the Board, the fees also fund the Board’s contracts for peer review and the physician rehabilitation program, Attorney General staff (\$1.3 million; funds both Board counsel and administrative prosecutors), equipment, rent, indirect costs and an assessment to support the Office of Administrative Hearings (\$135,000). In addition to these budgeted items, the fees assessed by the Board also

include the MHCC annual assessment on licensed health care providers (\$606,000; required by Health Occupations Article, §1-209) and 12% of gross revenue distributed to the General Fund for the State's Scholarship fund projected to be in amount of \$1.1 million.

Included in the FY 2013 budget are three new, special fund positions. In the past few years, the Board has taken on licensure of several groups of allied health practitioners: polysomnographic technologists, athletic trainers, radiologist assistants, and, coming next year, perfusionists. Since the purpose of licensure is to ensure that health care workers practice safely and competently, adding new groups means researching the profession to determine how to ensure that Maryland's practice standards translate into quality medical care. Adding new licensees has a direct impact on both the Board's general administrative staff and the allied health staff. Given the emphasis shown in the Sunset Report for separating fiscal accounting by category of licensee and involving the allied health committees more fully in the management of their professions, additional help is needed in Allied Health, which has already taken on three new professions. One of the new positions proposed would accommodate the expansion of this unit and satisfies the anticipated increase in Allied Health human resource needs.

Another new position would be used by the Licensure Division for the review of initial medical licensure applications. Fast, efficient processing and licensing of physicians is a boon to the health care system, since it facilitates recruitment of new practitioners and out-of-state physicians. Careful processing and licensure helps to ensure the ongoing quality of care in Maryland. The Licensure Division has been borrowing help from another division for the past three years. The new position will ensure that the Licensure Division will be able to maintain high standards and quick turn-around times in the coming year.

The third position would be included in the Compliance Unit. The Board has begun to enforce the self-referral law, prohibiting self-referral by licensees. This, and the continued pressure to reduce the backlog of cases, can only be addressed by increased manpower in the Compliance Unit.

All revenue within the Board of Physician fund results from fees paid by licensees for licensure, renewal, delegation agreements, or other services of the Board. The statute specifies that "fees charged by the Board should approximate the cost of maintaining the Board." By law, the funds are to be used "...only for any lawful purpose authorized by the provisions of this title." (Health Occupations Article, §14-207)

When the state experiences revenue shortfalls, the Board is subject to budget reductions, position reductions and job hiring freezes that are intended to save the state General Funds. However, since the Board is special-funded, these budget reductions and freezes simply result in a "surplus" in the Board's fund. Through the budget reconciliation and financing legislation, some of this "surplus" has, at times, been transferred to the General Fund. The Board understands that the State of Maryland faces unprecedented fiscal difficulties and has helped to reduce the structural deficit by \$5.8

million in transfers in the last 6 fiscal years. These transfers have had an adverse effect on the Board's ability to contemporize its information systems and fully staff units within the Board that are projected to experience a greater volume of activity. With the recently added Allied Health professions, anticipated new professions, increase in overall severity of Compliance cases, and the need to improve resources of the Board, approval of the FY 2013 budget would allow the Board to move in the right direction. The Board respectfully requests a favorable vote on the FY 2013 budget.

Department of Health and Mental Hygiene
Maryland Board of Physicians
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Response to Issues

Issue #1: DLS recommends that the termination date for the board and the related allied health advisory committees be extended by only one year to July 1, 2014, and that DLS be required to make a recommendation on further extension of the board based on the progress of the board in complying with the recommendations of this report and the submission of a follow-up report by the board.

Response: The Board of Physicians disagrees with this recommendation. The 2011 Sunset Review was a very thorough review of the Board's operations and made 46 separate recommendations for change. A new executive director has been appointed and an outside reviewer will come in to make recommendations. Extending the Board by one year will not give ample time to realize all of the changes to Board processes that have been recommended. In a practical sense, many of the changes planned by the Board will still be in their infancy after one year. Multiple years will be required to implement and reconfigure processes for optimal performance.

If the Board's termination date were extended to at least 5 years, it would be possible to show actual changes and their consequences in terms of the Board's mission. In the meantime, the Board will certainly comply with requests for updates on its progress in meeting goals.