



Ohio Respiratory Care Board

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TESTIMONY before the OHIO SENATE
FINANCE COMMITTEE

HONORABLE SENATOR CHRIS WIDENER, CHAIRPERSON

ON

FISCAL YEARS 2012 AND 2013 BUDGET RECOMMENDATIONS

BY

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OHIO RESPIRATORY CARE BOARD
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INTRODUCTION:

Senator Widener and respected members of the Senate Finance Committee, my name is Christopher Logsdon and I am the Executive Director for the Ohio Respiratory Care Board. I appear before this committee to seek the support of the Ohio Senate concerning the Ohio Respiratory Care Board's Fiscal Year 2012 and 2013 Executive Budget recommendations. After a description of the Board and its role, I would like to focus the majority of my testimony on the budget recommendations.

THE OHIO RESPIRATORY CARE BOARD:

The Ohio Respiratory Care Board is a unique regulatory board. The Board regulates two distinctly different entities: the practice of respiratory care, provided by individual clinical health professionals and home medical equipment (HME) services licensing, an unrelated, facility-oriented licensure and registration program for HME businesses. The board's mission is to regulate the clinical practice of respiratory care and HME services by licensing properly qualified applicants, acting on complaints filed with the board, inspecting licensed HME facilities, and monitoring continuing education compliance.

The Board was originally established in 1989 to regulate the practice of respiratory care. Respiratory Care, also known as Respiratory Therapy, is a highly technical and versatile health care profession. These professionals work throughout the state of Ohio treating the cardiopulmonary diseases and ailments of Ohioans. Most therapists work in acute care hospitals, but they can also be found working in long-term care facilities, physician offices, home care companies, education and research.

Regulating Respiratory Care Professionals and
Home Medical Equipment Facilities in the State of Ohio

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www.respiratorycare.ohio.gov
www.hme.ohio.gov

Today, licensing in the respiratory care profession is required nationwide. At the time this testimony was written, the Board regulated 358 limited permit holders (primarily working students) and 7537 licensed respiratory care professionals (RCP).

In 2004, the Board was given legislative authority to regulate home medical equipment facilities. The Board licenses or registers HME facilities that sell, rent, deliver, install, or maintain a limited portion of the home medical equipment supply business. Under Ohio law only companies that provide life-sustaining or technologically sophisticated medical equipment to the public in the state of Ohio are required to hold a license or certificate of registration. Licensed facilities are businesses that are not accredited by a recognized accrediting organization. These facilities are inspected by the Board to verify adherence to specific standards of practice. Certificate of Registration facilities are accredited by one of eight recognized independent organizations. Currently, the Board regulates 123 licensed HME facilities and 726 HME facilities holding a certificate of registration.

The Board consists of nine members: five respiratory care professionals, two home medical equipment professionals, one physician and one public member. The Board meets every other month to conduct business. In FY 2010, to reduce costs, the Board decreased its meeting days from twelve days to six days by condensing its business agenda.

The Board employs five staff: 1 full-time License Certification Examiners, 1 part-time License Certification Examiner, 1 Investigator, 1 Administrative Assistant and the Executive Director. The license certification examiners are responsible for the intake and processing of both respiratory care and home medical equipment license applications. In 2010, the licensing staff processed over 410 respiratory care professional license applications, 308 limited permit applications, 184 home medical equipment certificate of registration applications and 39 home medical equipment licensing applications. In addition, licensing staff processed and renewed 6,926 respiratory care professional licenses and 155 limited permits.

In FY 2010, the Board investigator conducted 50 investigations of alleged violations of the Ohio respiratory care practice laws and 24 investigations of alleged violation of the Ohio home medical equipment laws. In addition, the investigator conducted an audit of continuing education compliance for the licensed respiratory care professionals in Ohio. The Board audited approximately 5% of all licensees. This resulted in over 395 random audits. 93% of those audited were found to be in compliance. 25 licensees were found to be deficient, resulting in 18 non-disciplinary warning letters and 7 disciplinary actions.

The Board's Administrative Assistant manages the home medical equipment licensure program. The program manager is responsible for contract management with recognized accrediting organizations and facility inspectors, license standards compliance and program policy development for home

medical equipment licensing. In addition, the administrative assistant manages all aspects of the licensing and registration program for home medical equipment facilities. In FY 2010, the program manger scheduled and monitored the inspection of 62 licensed facilities.

The Board has a strong history of meeting its core licensing mandates with a stable staff of 4.8 persons. Throughout its history the Board has continually redefined how to do the job more efficiently, while holding cost increases to a minimum and licensing fees unchanged or decreased to reflect expenditure versus revenue trends. The Board is well respected throughout the nation for its effective regulation, its knowledge of the practices it regulates, and the efficiency of its services. In all, the Ohio Respiratory Care Board is known as a Board that gets the job done.

Table 1. Active licensees as of June 30

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
RCP License Holders	7,035	6,742	7,384	7,100
RC Limited Permit Holders	<u>383</u>	<u>357</u>	<u>254</u>	<u>281</u>
Total	7,418	7,099	7,638	7,381
HME Licensed Facilities	221	145	209	121
HME Certificates of Registration	<u>378</u>	<u>394</u>	<u>527</u>	<u>606</u>
Total	599	539	736	727

Note: Licensees renew on even years.

EXECUTIVE BUDGET RECOMMENDATIONS:

The budget recommendations before the Ohio Senate provides for an approximate .5% increase in funding across the next biennium. For FY 2012, the Executive Budget recommends \$528,624.00 or 1.6% increase in funding from the current FY 2011 level (\$520,142.00). In FY 2013, the Executive Budget recommends \$523,013.00 or a 1.1 % decrease from FY 2012 recommended funding. The Board's budget was prepared using a zero-based budgeting approach. The amount reflected in the Executive Budget recommendations are lower than the total amount requested, but we believe the Executive Budget recommendations will fund the Board to meet its core functions, which include

licensing qualified respiratory care professionals and home medical equipment facilities, investigating complaints, inspecting facilities and monitoring continuing education compliance.

The Board acknowledges that the Executive Budget recommendations being presented are not perfect. The budget recommendations were crafted in light of very difficult economic circumstances for the State of Ohio and like most State agencies, the Board completely understands the challenges facing Ohio and we are prepared to accept our part of this challenge.

Executive Budget Recommendations will Fund

Continued funding for existing personnel and Board Members

The Executive Budget Recommendations will support payroll costs for four full-time office staff, one part-time staff person (budgeted at 1664 hrs/yr), and nine board members (48 hrs each annually). The Executive Budget Recommendations may not permit the Board to move its part-time employee to a full time position as sought through the budget request. This change has been sought in the past two budgets to accommodate additional work related to the Board's paperless records management program.

Purchase service funding

The Executive Budget Recommendations will support the costs for Home Medical Equipment facility inspections, which are estimated at approximately \$15,000 in FY 2012 and \$10,000 in FY 2013. In addition, the recommendations will cover the costs of administrative hearings and Auditor's fees for the Board's biennial audit.

Continued funding of maintenance expenses

The Executive Budget Recommendations will fund ongoing maintenance expenses for the Board. Most maintenance expenditures are strictly non-discretionary. These are generally fees passed along to the Board from other state agencies that provide a service. This includes information technology support services, internet connectivity, telephone charges, mail presort and postage, printing, office rent, central service agency charges, and elicense system use. Some maintenance costs are arguably discretionary. These costs include Board member and investigative travel expenses, office supplies, and credit card processing fees for online license renewal. The Board anticipates meeting all of its financial obligations through control and management of discretionary costs.

Part of the maintenance budget includes fees for services provided by the Department of Administrative Services - Central Service Agency (CSA). CSA provides back-office support

services for numerous boards and commissions. These services allow the Board to reduce its own costs by managing our fiscal processes, human resource services, and procurement.

REVENUE GENERATION:

The Ohio Respiratory Care Board is a non-GRF funded agency. Similar to all professional licensing boards, the Board is required to generate sufficient revenue to meet its expenditures. Fees generated by the Ohio Respiratory Care Board are deposited into the 4K90, joint professional regulatory board fund. Each board is responsible for supporting their own budgetary needs and is strictly held accountable by the Office of Budget and Management.

Revenues for each licensing program (respiratory care and HME) are independently evaluated to determine if the program is self-sustaining. The Board believes revenue from respiratory care licensing fees over the next biennium will sufficiently meet the Board's budget recommendations. HME revenue may decrease over the next biennium if, as anticipated, licensed HME facilities transition to certificate of registration holders; a less expensive program to manage. Regardless of this forecast, the agency believes it will generate sufficient revenue during the next biennium to offset the funding request in the Executive Budget recommendations.

CONCLUSION:

In conclusion, the Ohio Respiratory Care Board is seeking approval of the Executive budget recommendations in the amount of \$528,624 in FFY 2012 and \$523,013 in FY 2013. Should you have any questions regarding the Board's FY 2012 and FY 2013 budget request, I would be pleased to address them.