



Texas Medical Board

MARI ROBINSON, J.D., EXECUTIVE DIRECTOR
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March 15, 2010

The Honorable Rick Perry
Governor
State Capitol, Rm 2S.1
Austin, Texas 78701

The Honorable David Dewhurst
Lieutenant Governor
State Capitol, Rm 2E.13
Austin, Texas 78701

The Honorable Joe Straus
Speaker, Texas House of Representatives
State Capitol, Rm 2W.13
Austin, Texas 78701

Dear Governor Perry, Lt. Governor Dewhurst, and Speaker Straus:

The Texas Medical Board respectfully requests your consideration of an exemption to the agency's five percent budget reductions for FY 10-11 which total \$1.1 million. Due to the fact that a majority of the agency's budget covers payroll costs as well as the costs of professional services for the expert physician panel, a significant impact on direct services is unavoidable with this level of reduction.

Attached are the TMB's proposed reductions in priority order that were submitted to the LBB and GOBPP on February 15, 2010. The agency implemented a hiring freeze in February 2010, impacting 8.5 FTE positions, and affecting the agency's ability to address a 30% increase in complaints as well as process physician license applications within the mandated 51 day target. In addition, the agency has a proposed reduction to the expert physician panel which would further increase the current backlog of cases waiting for review by an expert consultant.

In the last legislative session, TMB was appropriated \$4.2 million and 14 FTEs in exceptional items for the FY 10-11 biennium primarily to strengthen enforcement efforts and to address the increase in complaints. As required by contingency rider, the agency raised fees and established new fees to cover the exceptional items, and associated benefits and indirect costs, as well as appropriations to implement new legislation. These fee changes became effective September 2009 and were projected to generate an additional \$5.6 million in revenue for the 2010-2011 biennium. Due to the inherent

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difficulties in estimating revenue projections, it is likely that the actual annual fee collections will be greater than projected. To date, TMB has collected \$754,000 more in revenue from physician licensees than projected for the first half of FY 10, an 11% increase. Consequently, TMB has generated surplus revenue for the General Revenue Fund in the first half of FY 10 without implementing a budget cut. We raise these issues in order to provide a more complete understanding of the impact of the reduction on TMB's ability to strengthen enforcement efforts as directed by the 81st Legislature and of TMB's required revenue collections.

We appreciate the great challenge that lies before you and we stand ready to implement the direction given to us. Meanwhile we continue to fulfill the TMB's mission of public protection through professional accountability as effectively and efficiently as possible.

Thank you for your consideration of our request. Please do not hesitate to contact me if you have any questions or require any additional information.

Sincerely,



Mari Robinson, J.D.
Executive Director

Attachment

cc: Mary Katherine Stout, Office of the Governor
John O'Brien, Legislative Budget Board
Nora Velasco, Legislative Budget Board
Blaine Brunson, Office of the Lt. Governor
Lisa Kaufman, Office of the Speaker
Andrew Blifford, Office of the Speaker
Jennifer Deegan, Office of the Speaker
Sarah Hicks, Senate Finance Committee
Amy Peterson, House Appropriations Committee
Irvin E. Zeitler, Jr., D.O., TMB President
✓ TMB Board Members

TMB - Proposed 5% Reductions for FY 10-11 Biennium

INFORMATION FOR ABEST ENTRY

**Revised information as of 2-26-10*

Priority Rank	ITEM NAME	FUND	FY 10	FY 11	Total	ABEST NARRATIVE
1	Rural Physician Assistant Loan Reimbursement	GR	N/A	\$ 112,000	\$ 112,000	This reduction eliminates a transfer of funds to the TX Dept. of Rural Affairs (TDRA) and has no impact to TMB. The Medical Practice Act requires TDRA to operate a program for loan reimbursement for graduates of PA programs who practice in rural health professional shortage areas & medically underserved areas. The PA Board is charged with: 1) funding the program from PA licensing fees; and 2) authorizing the annual transfer of these funds to ORCA. The amount of funds transferred is authorized by a rider in TMB's bill pattern. <i>* If the reduction is not accepted, then the \$112,000 will be added to reduction item #5 – Review of Standard of Care Cases by Expert Physician Consultants – causing further delays in TMB's enforcement process and review of standard of care cases.</i>
2	Information Technology	GR	\$ 65,000	\$ 30,000	\$ 95,000	This reduction eliminates part of the agency's IT budget and items in the capital budget rider including the standard replacement schedule for PCs/laptops for the biennium. It also includes the elimination of two exceptional item requests that were funded last session: 1) an automated timekeeping system and 2) the addition of a workflow module to the agency's digital archiving system.
3	Hiring Freeze - 8.5 FTEs	GR	\$ 265,869	\$ 373,155	\$ 639,024	This reduction will require TMB to implement a hiring freeze on 8.5 positions in FY 10 & FY 11 which will negatively impact TMB's Licensure and Enforcement programs. The impact to Licensure includes a hiring freeze on 3.5 positions estimated to cause an increase in average time to complete physician licensure applications. This means that hospitals and other health care entities in TX communities will have to wait longer for new physicians to enter practice and provide care to patients. The increase in application processing will also cause an increase in questions from applicants about the status of their applications which will result in further delays in the average time to complete an application. TMB estimates that the average # of days to issue a license will increase by 16% for a total of 59 days, 8 days over the target of 51. TMB also estimates a reduction of 17.5% in the number of new licenses issued to TMB's four categories of licensees: physicians, physician assistants, acupuncturists, and surgical assistants. The negative impact also includes a hiring freeze on 4 Enforcement positions in a program currently overburdened by an increase in complaints. In 2009, the Legislature approved additional funding to TMB to address a 30% increase in complaints and the agency correspondingly raised fees to cover this exceptional item. Implementing the hiring freeze will prohibit the agency from using the additional funding to address the growing number of complaints. Therefore, TMB estimates there will be no improvement in current performance measures which are already well above 2010 targets. For instance, in the 1 st quarter of FY 10, the average number of days to resolve a complaint was currently 311 days, 61 days over the target of 250.
4	Texas Physician Health Program (TPHP)	GR	\$ 7,427	\$ 14,402	\$ 21,829	This reduction impacts the newly created Texas Physician Health Program (TPHP), which is administratively attached to TMB, and is charged with the mission of protecting the citizens of Texas by identifying potentially impaired physicians, physician assistants, acupuncturists, and surgical assistants (participants), directing them to evaluation or treatment, and monitoring those practitioners in recovery. It has a meager start-up budget, derived from participant fees, which includes only 2.5 FTEs and very basic IT and operational costs. This reduction will hinder TPHP's ability to effectively launch the program and serve the participants estimated to participate in FY 10 (150) and FY 11 (250). The program's limited budget is also supposed to cover travel expenses for its Board of Governors and communications with a required monitoring committee. This monitoring committee is to be made up of educated physicians in local communities who will be the backbone of the monitoring program and will be asked to follow-up on any positive drug or alcohol screen tests. Without full funding, the ability to attract these non-paid committee members and to continue dialogue with them will be almost impossible. There is simply no excess built into this budget. TPHP respectfully requests a waiver from the 5% reduction for FY10 & FY11.

5	Review of Standard of Care Cases by Expert Physician Consultants	GR-D	\$ 222,896	\$ 222,896	This reduction impacts the TMB's Enforcement program. TMB has been steadily working through a backlog of standard of care cases waiting for review by an expert physician. Currently, there are approximately 500 of these cases which is about 100 less than in Dec. 2009. Should the funding for expert physician review be reduced, TMB expects the backlog of cases waiting for review to grow by several hundred. This will seriously impede the agency's ability to have standard of care cases reviewed by an expert physician and will extend the backlog in processing these cases until funds become available. Virtually all of the TMB's key enforcement performance measures will be negatively impacted if expert panelists' reviews have to be put on hold. In the absence of these reviews, no standard of care cases can be resolved. Therefore, none of the standard of care cases will be dismissed or will result in a disciplinary action. Currently about 70 - 75% of investigations involve standard of care issues.
	<i>Subtotal</i>		\$ 278,158	\$ 278,158	
	Total		\$ 338,296	\$ 807,715	\$ 1,146,011