

**Texas Medical Board
Summary of Recommendations - Senate**

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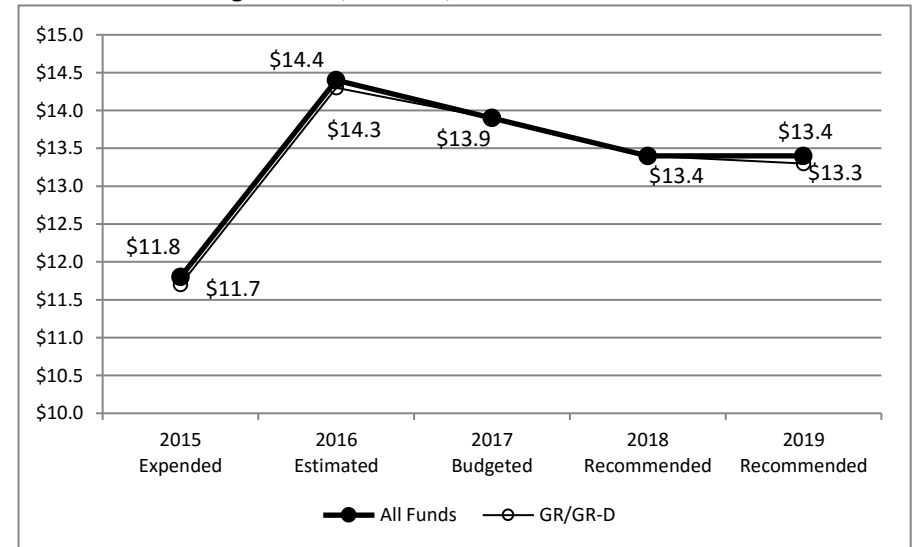
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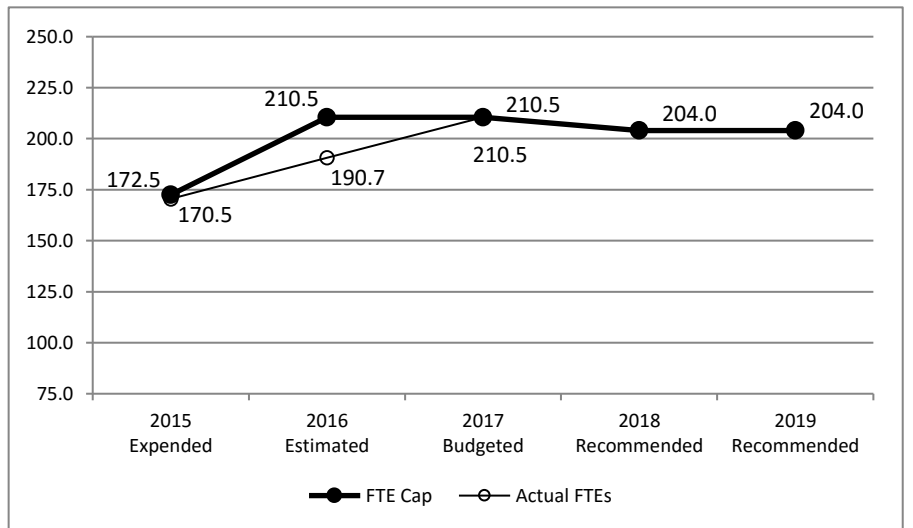
Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$23,586,749	\$19,798,212	(\$3,788,537)	(16.1%)
GR Dedicated Funds	\$4,601,027	\$6,894,307	\$2,293,280	49.8%
<i>Total GR-Related Funds</i>	<i>\$28,187,776</i>	<i>\$26,692,519</i>	<i>(\$1,495,257)</i>	<i>(5.3%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$141,559	\$124,612	(\$16,947)	(12.0%)
All Funds	\$28,329,335	\$26,817,131	(\$1,512,204)	(5.3%)

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	210.5	204.0	(6.5)	(3.1%)

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

Texas Medical Board
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Decrease for 1) \$455,550 in salaries for 6.5 FTEs; 2) \$451,921 for expert fees in standard of care cases; 3) \$60,456 in travel; and 4) \$25,700 in printer and scanner replacement costs pursuant to the four percent reduction.	(\$809,586)	(\$184,041)	\$0	\$0	(\$993,627)	A.1.1, B.1.1, C.1.1, C.1.2.
B)	Decrease of \$501,630 for one time expenditure including \$430,000 in workspace remodeling and \$71,630 in start up costs for the 29.0 FTEs received in the 2016-17 biennium for the transfer of programs from the Department of State Health Services (DSHS) pursuant to S.B. 202 84(R).	(\$501,630)	\$0	\$0	\$0	(\$501,630)	A.1.1, B.1.1, B.2.1, C.1.1, C.1.2.
C)	Method of finance swap of General Revenue-Dedicated Public Assurance Account Number 5105 for General Revenue for operating expenses in licensing and capital budget expenditures.	(\$2,477,321)	\$2,477,321	\$0	\$0	\$0	A.1.1, B.1.1, C.1.1, C.1.2.

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

D)	Decrease of \$16,947 in Appropriated Receipts due to a decrease in open records requests.	\$0	\$0	\$0	(\$16,947)	(\$16,947)	C.1.1
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TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations	(\$3,788,537)	\$2,293,280	\$0	(\$16,947)	(\$1,512,204)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0	\$2,477,321	\$0	\$0	\$2,477,321	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$3,788,537)	(\$184,041)	\$0	(\$16,947)	(\$3,989,525)	As Listed

**Texas Medical Board
Selected Fiscal and Policy Issues - Senate**

1. **Sunset Review.** The agency is currently undergoing Sunset review (See Rider Highlights #6). The Sunset commission adopted the following recommendations: require the agency and the Texas Physician Health Program to develop a memorandum of understanding covering services and operations, eliminate duplicative requirements that medical, chiropractic and podiatric boards register non-certified technicians, establish an advanced-level medical radiologic technologist certificate, and adopt the Interstate Medical Licensure Compact. The Sunset Commission recommends to continue the agency for twelve years.
2. **Physician Health Program.** Recommendations continue \$1.1 million for this program in the 2018-19 biennium (See Rider Highlights #5). The agency's Physician Health Program was identified as behavioral health funding and included in the 2016-17 Statewide Behavioral Health Coordinated Expenditure Proposal and Plan. The Physician Health Program provides education, monitoring and assistance in diagnosis and treatment for licensee-participants through a recovery program that is administratively attached to the Texas Medical Board. The agency's program, totaling \$1.1 million for the 2016-17 biennium, was exempt from the four percent General Revenue reduction.
3. **Funding Reductions.** The agency's funding recommendations include:
 - Four percent General Revenue reduction totals \$1,084,827 in All Funds and includes salaries, staff travel, expert panel review funds, and printer and scanner replacement funds. Recommendations retain \$91,200 in General Revenue funding for PC replacements with outdated operating systems submitted in the agency's Legislative Appropriations Request as part of the four percent reduction (See Rider Highlights #2).
 - Reduction of \$501,630 from one-time funded items, including \$71,630 in start-up costs and \$430,000 in workspace remodeling received in the 2016-17 biennium for the transfer of programs from the Department of State Health Services, pursuant to S.B. 202 84(R).
4. **Method of Finance Swap.** Recommendations include a method of finance swap of \$2.5 million from General Revenue to General Revenue-Dedicated Public Assurance Account Number 5105 (GR-D Account 5105) for operating costs in the licensing program and capital budget expenditures that were funded by General Revenue in the 2016-17 biennium. Capital budget items include \$155,305 for hardware replacement, \$230,816 for software replacement, and \$91,200 for PC replacements. House Bill 7, 84(R) expanded the GR-D Account 5105 allowable use for the licensing program as well as enforcement program at the agency. The GR-D account is funded by an \$80 surcharge fee assessed to initial and biennial physician licenses. The Comptroller's Biennial Revenue Estimate for 2018-19 estimates the account will have an ending balance of \$4.5 million in FY17 and \$6.7 million in projected revenue in the 2018-19 biennium. Recommendations provide a total of \$6.9 million in direct GR-D Account 5105 appropriations for the 2018-19 biennium in an effort to spend down the balance in GR-D Account 5105 (See Rider Highlights #2).

**Texas Medical Board
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Recommendations include a method of finance swap for the funding of capital budget items from General Revenue to General Revenue-Dedicated Public Assurance Account Number 5105, totaling \$477,321 for the 2018-19 biennium. Capital budget authority includes funding for PCs with outdated operating systems (\$91,200), software replacement (\$230,816), and hardware replacement (\$155,305). Recommendations reduce capital budget authority and funding from the 2016-17 biennium by \$455,700, which includes \$430,000 in workspace remodeling, a one-time expenditure related to the transfer of programs from the Department of State Health Services pursuant to S.B. 202 84(R), and \$25,700 for scanners and printers reduced as part of the agency's four percent reduction (See Selected Fiscal and Policy Issues #3 and #4 and Items Not Included #1).
5. **Contingency for Behavioral Health Funds.** Recommendations modify rider to extend the requirements to both years of the biennium and makes the funding of the agency's Physician Health Program contingent upon approval of a coordinated expenditure proposal in each year of the biennium in accordance with requirements of Art. IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures (See Selected Fiscal and Policy Issue #2).

New Riders

6. **Sunset Contingency.** Recommendations add a contingency provision for the agency's upcoming Sunset review (See Selected Fiscal and Policy Issue #1).

**Texas Medical Board
Items Not Included in Recommendations - Senate**

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Salaries for 6.5 FTEs (\$455,550), funding for expert panels (\$451,920), travel (\$60,457), printer and scanner replacements (\$25,700) included in the agency's four percent reduction.	\$993,627	\$993,627	2.0	Yes	No	\$993,627
2)	Funding for two Information Technology Projects, including Microsoft software renewal and expansion due to addition of staff and advisory board members for the transfer of licensees from the Department of State Health Services (\$123,455) and Voice Over Internet Protocol implementation (\$271,604).	\$395,059	\$395,059	0.0	Yes	Yes	\$164,914
3)	Salaries and one-time costs for 4.0 additional FTEs to assist with the increase of phone calls received by the agency due to the transfer of licensees from the Department of State Health Services.	\$316,858	\$316,858	4.0	Yes	No	\$304,858

TOTAL Items Not Included in Recommendations		\$1,705,544	\$1,705,544	6.0			\$1,463,399
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**Texas Medical Board
Appendices - Senate**

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* Appendix is not included - no significant information to report

Texas Medical Board
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
LICENSING A.1.1	\$5,778,513	\$5,387,093	(\$391,420)	(6.8%)	Decrease of \$391,420 in All Funds include: -decrease of \$139,754 in General Revenue (GR) for the implementation of S.B. 202 84(R) for programs transferred from the Department of State Health Services (DSHS); -decrease of \$187,985 pursuant to the agency's four percent reduction; and -reallocation of \$63,681 in GR to other strategies.
Total, Goal A, LICENSURE	\$5,778,513	\$5,387,093	(\$391,420)	(6.8%)	
ENFORCEMENT B.1.1	\$16,531,591	\$15,530,690	(\$1,000,901)	(6.1%)	Decrease of \$1,000,901 in All Funds due to: -decrease of \$729,163 pursuant to the four percent reduction; -decrease of \$259,590 in GR for the implementation of S.B. 202 84(R) for programs transferred from the DSHS; and -reallocation of \$12,148 in GR to other strategies.
PHYSICIAN HEALTH PROGRAM B.1.2	\$1,086,111	\$1,084,984	(\$1,127)	(0.1%)	
PUBLIC EDUCATION B.2.1	\$562,504	\$580,572	\$18,068	3.2%	Increase of \$18,068 in All Funds due to: -reallocation of \$30,560 from other strategies; and -decrease of \$12,492 in GR for the implementation of S.B. 202 84(R) for programs transferred from the DSHS.
Total, Goal B, ENFORCE ACTS	\$18,180,206	\$17,196,246	(\$983,960)	(5.4%)	
INDIRECT ADMIN C.1.1	\$1,362,455	\$1,329,223	(\$33,232)	(2.4%)	Net decrease of \$33,232 in All Funds due to: -decrease of \$23,073 in GR pursuant to the four percent reduction; -decrease of \$26,938 in GR for the implementation of S.B. 202 84(R) for programs transferred from DSHS; -decrease of \$16,947 in Appropriated Receipts due to an anticipated decrease of open records requests from the 2016-17 biennium; and -reallocation of \$33,726 in GR from other strategies.

Texas Medical Board
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMIN C.1.2	\$3,008,161	\$2,904,569	(\$103,592)	(3.4%)	Decrease of \$103,592 in All Funds due to: -decrease of \$53,406 in GR pursuant to the four percent reduction; -decrease of \$62,856 in GR for the implementation of S.B. 202 84(R) for programs transferred from DSHS; and -reallocation of \$12,670 in GR from other strategies.
Total, Goal C, INDIRECT ADMINISTRATION	\$4,370,616	\$4,233,792	(\$136,824)	(3.1%)	
Grand Total, All Strategies	\$28,329,335	\$26,817,131	(\$1,512,204)	(5.3%)	

**Texas Medical Board
Funding Changes and Recommendations - Senate, by Strategy -- GENERAL REVENUE FUNDS**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
LICENSING A.1.1	\$5,778,513	\$3,267,763	(\$2,510,750)	(43.4%)	Decrease of \$2,510,750 due to: -decrease of \$139,754 for the implementation of S.B. 202 84(R) for programs transferred from the Department of State Health Services (DSHS); -decrease of \$187,985 pursuant to the agency's four percent reduction; -decrease of \$2,119,330 due to method of finance swap with General Revenue-Dedicated Public Assurance Account 5105 (GR-D 5105); and -reallocation of \$63,681 to other strategies.
Total, Goal A, LICENSURE	\$5,778,513	\$3,267,763	(\$2,510,750)	(43.4%)	
ENFORCEMENT B.1.1	\$11,930,564	\$10,827,311	(\$1,103,253)	(9.2%)	Decrease of \$1,103,253 due to: -decrease of \$545,122 pursuant to the four percent reduction; -decrease of \$259,590 for the implementation of S.B. 202 84(R) for programs transferred from the DSHS; -decrease of \$286,393 due to method of finance swap with GR-D 5105; and -reallocation of \$12,148 to other strategies.
PHYSICIAN HEALTH PROGRAM B.1.2	\$1,086,111	\$1,084,984	(\$1,127)	(0.1%)	
PUBLIC EDUCATION B.2.1	\$522,834	\$540,902	\$18,068	3.5%	Net increase of \$18,068 due to: -decrease of \$12,492 for the implementation of S.B. 202 84(R) for programs transferred from the DSHS; and -reallocation of \$30,560 from other strategies.
Total, Goal B, ENFORCE ACTS	\$13,539,509	\$12,453,197	(\$1,086,312)	(8.0%)	

Texas Medical Board
Funding Changes and Recommendations - Senate, by Strategy -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMIN C.1.1	\$1,260,566	\$1,220,416	(\$40,150)	(3.2%)	Decrease of \$40,150 due to: -decrease of \$23,073 pursuant to the four percent reduction; -decrease of \$26,938 for the implementation of S.B. 202 84(R) for programs transferred from the DSHS; -decrease of \$23,865 due to method of finance swap with GR-D 5105; and -reallocation of \$33,726 from other strategies.
INDIRECT ADMIN C.1.2	\$3,008,161	\$2,856,836	(\$151,325)	(5.0%)	Decrease of \$151,325 due to: -decrease of \$53,406 pursuant to the four percent reduction; -decrease of \$62,856 for the implementation of S.B. 202 84(R) for programs transferred from the DSHS; -decrease of \$47,733 due to method of finance swap with GR-D 5105; and -reallocation of \$12,670 from other strategies.
Total, Goal C, INDIRECT ADMINISTRATION	\$4,268,727	\$4,077,252	(\$191,475)	(4.5%)	
Grand Total, All Strategies	\$23,586,749	\$19,798,212	(\$3,788,537)	(16.1%)	

Texas Medical Board
Funding Changes and Recommendations - Senate, by Strategy -- GR DEDICATED

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
LICENSING A.1.1	\$0	\$2,119,330	\$2,119,330	100.0%	Increase of \$2,119,330 due to method of finance swap from General Revenue (GR) to fund operating expenses in licensing and capital budget items.
Total, Goal A, LICENSURE	\$0	\$2,119,330	\$2,119,330	100.0%	
ENFORCEMENT B.1.1	\$4,601,027	\$4,703,379	\$102,352	2.2%	Increase of \$102,352 due to: -increase of \$286,393 for a method of finance swap from GR to fund capital budget items; and -decrease of \$184,041 pursuant to the agency's four percent reduction.
PHYSICIAN HEALTH PROGRAM B.1.2	\$0	\$0	\$0	0.0%	
PUBLIC EDUCATION B.2.1	\$0	\$0	\$0	0.0%	
Total, Goal B, ENFORCE ACTS	\$4,601,027	\$4,703,379	\$102,352	2.2%	
INDIRECT ADMIN C.1.1	\$0	\$23,865	\$23,865	100.0%	Increase of \$23,865 due to method of finance swap from GR to fund capital budget items.
INDIRECT ADMIN C.1.2	\$0	\$47,733	\$47,733	100.0%	Increase of \$47,733 due to method of finance swap from GR to fund capital budget items.
Total, Goal C, INDIRECT ADMINISTRATION	\$0	\$71,598	\$71,598	100.0%	
Grand Total, All Strategies	\$4,601,027	\$6,894,307	\$2,293,280	49.8%	

**Texas Medical Board
Summary of Ten Percent Biennial Base Reduction Options - Senate**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Contract Service Reductions	The agency would reduce funding for expert physician reviews of standard of care cases. The reduction would cause the number of complaints resolved at the agency to decrease by 500 each fiscal year and the average time to resolve complaints would increase from 260 days to 340 days.	\$651,699	\$651,699	0.0	\$0	17%	No
2)	Operating Reductions	Unidentified reduction in administrative operating costs.	\$197,778	\$197,778	0.0	\$0	5%	No
3)	Eliminate 5.5 Administrative Full-Time Equivalents (FTEs)	The reduction would impact the agency's administrative department, including Communications, Information Technology, and Finance functions. The reduction would also impact the agency's ability to maintain database programming and reporting and respond to open records requests.	\$453,108	\$453,108	5.5	\$0	9%	No
4)	Eliminate 13.5 Program Service FTEs	The reduction of FTEs would include 5.0 FTEs in Licensing and 8.5 FTEs in Enforcement. The reduction would increase the number of days to issue a physician license, therefore affecting the number of physicians licensed on an annual basis and decrease the percentage of complaints resulting in disciplinary action and the number of physician complaints resolved.	\$1,301,000	\$1,301,000	13.5	\$1,000,000	5%	No
TOTAL, 10% Reduction Options			\$2,603,585	\$2,603,585	19.0	\$1,000,000		