

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 1410 1111	Department Department of Consumer Affairs	Priority No. 2
Budget Request Name 1110-015-BCP-BR-2016-GB 1111		Program 1150 - Medical Board of California	Subprogram 1150019-Support

Budget Request Description
 Medical Expert Reviewer

Budget Request Summary

The Medical Board of California (Board) is requesting an increase of \$206,000 in FY 2016-17 and ongoing annually to fund enforcement costs of expert reviewers. This increase will align the Board's expenditure authority with its five-year average costs of funding expert reviewers.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>[Signature]</i>	Date 12-9-15	Reviewed By <i>[Signature]</i>	Date 12/8/15
Department Director <i>[Signature]</i>	Date 12.9.2015	Agency Secretary <i>[Signature]</i>	Date 12/10/15

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA	Original signed by Jeff Carosone	Date submitted to the Legislature 1-7-16
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BCP Fiscal Detail Sheet

BCP Title: Medical Board - Medical Expert Reviewers

DP Name: 1111-015-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services - External	0	206	206	206	206	206
Total Operating Expenses and Equipment	\$0	\$206	\$206	\$206	\$206	\$206
Total Budget Request	\$0	\$206	\$206	\$206	\$206	\$206

Fund Summary

Fund Source - State Operations

0758 - Contingent Fund of the Medical Board of California	0	206	206	206	206	206
Total State Operations Expenditures	\$0	\$206	\$206	\$206	\$206	\$206
Total All Funds	\$0	\$206	\$206	\$206	\$206	\$206

Program Summary

Program Funding

1150019 - Medical Board of California - Support	0	206	206	206	206	206
Total All Programs	\$0	\$206	\$206	\$206	\$206	\$206

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A. Budget Request Summary

The Medical Board of California (Board) is requesting an increase of \$206,000 in FY 2016-17 and ongoing annually to fund enforcement costs of expert reviewers. This increase will align the expenditure authority with the Board's five-year average costs of funding expert reviewers.

B. Background/History

Expert reviewers are essential to the Board's mission of consumer protection. The Expert Reviewer Program was established as an impartial and professional means to support the investigation and enforcement functions of the Board. Specifically, medical experts assist the Board by providing expert reviews and opinions on Board cases. Experts review the facts of medical cases and determine if the standard of care has been met. Experts also conduct professional competency, physical, and psychiatric examinations.

Resource History
(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY*
Authorized Expenditures	52,385	55,124	56,673	58,929	61,094	59,209
Actual Expenditures	47,710	52,007	52,766	56,955	58,036	59,209
Revenues	49,912	52,857	52,895	56,404	52,344	52,424
Authorized Positions	282.2	276.5	282.3	282.3	171.3	171.3
Filled Positions	266.0	251.8	272.3	265.2	155.3	155.3
Vacancies	16.2	24.7	10.0	17.1	16.0	16.0

Workload History

Workload Measure	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY*
Total Active Experts as of June, 2015	1,152	1,289	1,172	1,164	1,138	1,102
Total Experts Utilized	322	394	468	360	418	411
Total Number of Cases Sent	607	732	836	677	765	687

Workload Measure	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY*
Authorized Expenditures	\$1,893,439	\$1,893,439	\$1,893,439	\$1,893,439	\$1,893,439	\$1,893,439
Actual Expenditures	\$1,786,726	\$1,930,283	\$2,168,476	\$2,147,381	\$2,021,476	\$2,228,839
Percent Increase Based on Allotment	-6%	2%	15%	13%	7%	18%

*Projected

C. State Level Considerations

The Board's mission is to protect health care consumers through proper licensing and regulation of physicians and surgeons and certain allied health care professions and through the vigorous, objective enforcement of the Medical Practice Act, and to promote access to quality medical care through the Board's licensing and regulatory functions. Business and Professions (B&P) Code Section 2229 mandates that the protection of the public is the Board's highest priority. Further, B&P 2319 establishes a goal of completing investigations (non-complex) within 180 days. This proposal directly supports the Board's mission and will help reduce the amount of time it takes to complete an investigation. Ensuring that expert reviewers receive the appropriate training and only the most qualified reviewers are utilized will result in fewer cases being dismissed and enhance consumer

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protection. This proposal will not negatively impact any other program.

D. Justification

The expert reviewer program is among the most critical aspect of the enforcement program. A poorly considered and articulated expert opinion can result in decreased public protection. Such an opinion can result in charges not being filed against a physician who has violated the Medical Practice Act; charges being filed that ultimately cannot be supported; or an accusation being dismissed if the expert cannot adequately testify in a manner to support the opinion rendered. Currently, the Board recommends experts complete eight hours of formal, interactive training to improve the quality of the opinions received, improve testifying skills, and improve statewide uniformity to ensure public protection will not be compromised by an untrained individual. Experts are asked to prepare a sample expert opinion to ensure they can review the facts of medical cases, determine if the standard of care has been met and provide a well-written, understandable opinion. Experts are compensated for their attendance at this training with Continuing Medical Education credits.

E. Outcomes and Accountability

Type of Service Received	Current Authorized Expenditures	5 Year Average Expenditures Increase %	Proposed Expenditures Increase
Evidence/Witness	\$1,893,439	10.9%	\$206,000

F. Analysis of All Feasible Alternatives

1. Approve an increase of \$206,000 in FY 2016-17 and ongoing to increase expert reviewer compensation. Pro: This would allow the Board to fully fund its expert witness enforcement costs. Con: Increases the Board's expenditure authority and decreases the Board's fund balance reserve.
2. Approve an increase of \$206,000 limited-term in FY 2016-17 only. Pro: Would provide resources to fund the Board's projected expert reviewer costs in FY 2016-17. Con: Would not provide permanent resources to fund ongoing expert reviewer costs.
3. Approve an increase of \$206,000 limited-term in FY 2016-17 and 2017-18 to fund expert reviewer costs. Pro: Would provide additional resources to fund expert reviewer costs for two years. Con: Would not provide resources to fund ongoing expert reviewer costs.
4. Status Quo – Do nothing. Pro: None. Con: This alternative leaves the Board without adequate resources to effectively support its investigation and enforcement functions. The Board will be required to redirect resources from other high priority areas to fully fund these costs.

G. Implementation Plan

Effective July 1, 2016, the Board would have sufficient expenditure authority to fully fund its enforcement costs to fund expert reviewers.

H. Supplemental Information

Not applicable.

I. Recommendation

Approve Alternative 1: Approve a budget augmentation of \$206,000 in FY 2016-17 and ongoing to increase expert reviewer compensation for experts. This would allow the Board to continuously serve the public and protect consumers from incompetent physicians.

0758 - Medical Board
Analysis of Fund Condition

12/1/2015

(Dollars in Thousands)

	ACTUAL	Budget	BY	BY +1	BY +2
	2014-15	Act	2016-17	2017-18	2018-19
		CY			
		2015-16			
\$15.0M GF loans outstanding					
BEGINNING BALANCE	\$ 28,151	\$ 22,003	\$ 24,100	\$ 18,041	\$ 10,805
Prior Year Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 28,151	\$ 22,003	\$ 24,100	\$ 18,041	\$ 10,805
REVENUES AND TRANSFERS					
Revenues:					
125600 Other regulatory fees	\$ 323	\$ 195	\$ 205	\$ 209	\$ 213
125700 Other regulatory licenses and permits	\$ 6,709	\$ 6,369	\$ 6,370	\$ 6,497	\$ 6,627
125800 Renewal fees	\$ 47,194	\$ 46,477	\$ 46,516	\$ 47,446	\$ 48,395
125900 Delinquent fees	\$ 129	\$ 106	\$ 106	\$ 108	\$ 110
141200 Sales of documents	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 76	\$ 69	\$ 65	\$ 66	\$ 68
160400 Sale of fixed assets	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
161000 Escheat of unclaimed checks and warrants	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
161400 Miscellaneous revenues	\$ 20	\$ 20	\$ 20	\$ 20	\$ 21
164300 Penalty Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 54,464	\$ 53,249	\$ 53,295	\$ 54,361	\$ 55,448
Transfers from Other Funds					
F00683 Teale Data Center (CS 15.00, Bud Act of 2005)	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed GF Loan Repayment (Budget Act of 2008)	\$ -	\$ 3,000	\$ 3,000	\$ -	\$ -
Proposed GF Loan Repayment (Budget Act of 2011)	\$ -	\$ 7,000	\$ -	\$ 2,000	\$ -
Transfers to Other Funds					
T03040 Per Chapter 1131, Statutes of 2002	\$ -	\$ -	\$ -	\$ -	\$ -
TO0001 GF loan per item 1110-001-0758, Budget Act of 2008	\$ -	\$ -	\$ -	\$ -	\$ -
TO0001 GF loan per item 1110-001-0758, Budget Act of 2011	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues and Transfers	\$ 54,464	\$ 63,249	\$ 56,295	\$ 56,361	\$ 55,448
Totals, Resources	\$ 82,615	\$ 85,252	\$ 80,395	\$ 74,402	\$ 66,253
EXPENDITURES					
Disbursements:					
0840 State Controller (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -
1110 Program Expenditures (State Operations)	\$ 60,564	\$ 61,045	\$ 62,148	\$ 63,391	\$ 64,659
BCP #2 Expert Witness	\$ -	\$ -	\$ 206	\$ 206	\$ 206
8880 Financial Information System for California (State Operations)	\$ 48	\$ 107	\$ -	\$ -	\$ -
Total Disbursements	\$ 60,612	\$ 61,152	\$ 62,354	\$ 63,597	\$ 64,865
FUND BALANCE					
Reserve for economic uncertainties	\$ 22,003	\$ 24,100	\$ 18,041	\$ 10,805	\$ 1,388
Months in Reserve	4.3	4.6	3.4	2.0	0.3