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Governor Mitchell E. Daniels, Jr.

January 8, 2013

Adam Horst, Budget Director
State Budget Agency
212 Statehouse
Indianapolis, Indiana 46204

Re: FY 2014-2015 Budget Transmittal Letter

Dear Mr. Horst:

The Indiana Professional Licensing Agency respectfully submits the enclosed budget request for the 2014-2015 biennium. In support of this budget request, we offer the following background information.

Agency Mission Statement

To provide efficient and effective administrative support services to Indiana's professional licensing boards and commissions in order to facilitate the delivery of competent consumer services by regulated professionals to the citizens of Indiana.

To provide an expedient licensing process for regulated professionals by maintaining a climate that fosters the growth of commerce while ensuring the health, safety and welfare of the citizens of our great state.

Agency Description

The Indiana Professional Licensing Agency (IPLA) is the administrative arm for 35 state boards, commissions, and committees, as follows:

Health Related Boards and Committees

- Acupuncture Committee
- Indiana Athletic Trainers Board
- Behavioral Health & Human Services Licensing Board
- Indiana Board of Chiropractic Examiners
- Indiana State Board of Dentistry
- Indiana Dietitians Certification Board
- Genetic Counselors Committee
- Indiana State Board of Health Facility Administrators
- Committee of Indiana Hearing Aid Dealer Examiners
- Medical Licensing Board of Indiana
- Indiana State Board of Nursing
- Occupational Therapy Committee
- Indiana Optometry Board
- Indiana State Board of Pharmacy
- Physical Therapy Committee
- Physician Assistant Committee
- Board of Podiatric Medicine
- Indiana State Psychology Board
- Respiratory Care Committee
- Speech Language Pathology and Audiology Board
- Indiana Board of Veterinary Medical Examiners

Professional Related Boards and Commissions

- Indiana Board of Accountancy
- Board of Registration for Architects and Landscape Architects
- Indiana Auctioneer Commission
- State Board of Cosmetology & Barber Examiners
- State Board of Funeral and Cemetery Service
- Home Inspector Licensing Board
- Manufactured Home Installers Licensing Board
- Indiana Massage Therapy Board
- State Board of Registration for Professional Engineers
- State Board of Registration for Land Surveyors
- Indiana Plumbing Commission
- Private Investigator and Security Guard Licensing Board
- Real Estate Appraiser Licensure and Certification Board
- Indiana Real Estate Commission

For organizational purposes, IPLA has created ten working groups. These working groups have between four to nine staff members whom provide administrative support for anywhere from two to five boards or commissions. In total, there are approximately 85 staff members at IPLA who are either working in one of these ten working groups or are part of our overall operations division (IT, Human Resources, Legal Department, etc.).

For further reference, I have enclosed the following information:

- 1.) An organizational chart for IPLA and explanation of working groups.
- 2.) A spreadsheet providing membership information for each of our boards, commissions and committees.

In our role as administrative support for these boards and commissions, we are responsible for the following duties:

- Providing notice of board meetings and other communication services
- Keeping records of board meetings, proceedings and actions
- Maintaining a database of all persons licensed, regulated, or certified by a board
- Examination administration and/or contracting for examination services
- Licensure issuance and renewal notifications as mandated by statute
- Licensure disciplinary actions and probation monitoring

Additionally, the boards and commissions promulgate rules that govern the practice of each of their respective professions and conduct disciplinary hearings that may result in the restriction or loss of license for individuals who violate the rules or laws governing their profession. All of IPLA's work is strictly guided by statutory mandates.

Agency Priorities

Upgrade Licensing Database

IPLA has been recognized and designated by the State of Indiana as a Licensing Center of Excellence. Our Information Technology (IT) team has been awarded the Governor's Public Service Award twice for their creativity and dedication. An overall priority for IPLA has always been, and continues to be, the enhancement of our technology. IPLA licensing database is used not just by us, but by several other agencies. User agencies include Indiana State Department of Health (ISDH), Department of Natural Resources (DNR), Indiana Department of Environmental Management (IDEM), and Alcohol & Tobacco Commission (ATC). Because the licensing system

was over 12 years old and deemed to be mission critical, Indiana Office of Technology (IOT) funded the upgrade of the database. Our IT staff is in the process of installing and implementing the new system.

Audit and Update Web Pages

IPLA plans to audit each of our web pages for the various professions we provide administrative services. With over 200 license types and many legislative changes each year, we strive to provide the best possible information to our license holders and applicants.

Agency Efficiency Measures & Challenges

Agency Performance Measurements

Currently, IPLA is reporting 20 performance measurements, up from 5 last budget submission, to OMB's Office of Government Efficiency and Financial Planning. Two of these measurements are in regard to the IPLA General Fund appropriated budget, as follows:

- 1. Percent of Licenses Renewed Online:** Online license renewal is a service that helps IPLA meet its mission of providing expedient licensing processes to regulated professionals. Licensees who renew online have their licenses renewed almost instantly upon completing the online process. In contrast, those licensees who renew via a paper application have a 5-10 business day delay. In addition to the benefit to regulated professionals, higher online renewal rates also creates a significant cost savings to IPLA by saving staff time and resources and lowering printing and postage costs.
- 2. Percent of Phone Calls Abandoned:** Percent of phone calls "abandoned" means the caller is placed on hold, moved into a queue, and hangs up before a staff member has the chance to answer the call. Our target is to keep the abandoned rate at 5% or less. With staffing turnover and changes, we have struggled to meet this target. We are hopeful that improved technology will help keep this target in check.

Agency Challenges

Prescription Drug Monitoring Program

This federal grant funded program requires us to collect data from pharmacies for all Scheduled II-V controlled substance prescriptions filled in Indiana. The program was expanded since the last budget submission to provide access beyond just law enforcement to pharmacies and physicians. INSPECT currently receives approximately \$125,000 annually from 16% of Controlled Substances Registration (CSR) fees. The program's annual budget for baseline administrative costs is approximately \$475,000 annually. This amount does not include expenses for travel, training, hardware/software upgrades, or an amount necessary to fill the INSPECT director position full time. This legislative change (increasing the percentage of Controlled Substances Registration fees from the current 16% to 50%) would provide a sustainable funding mechanism in the next year, and allow for INSPECT to provide Web-based patient prescription history reports to end users pursuant to its statutory directive.

All federal funding from prior grants for administrative costs has been expended. Current grant awards cover enhancement expenses and cannot be spent on the administrative costs (per grant requirements). INSPECT relied on federal grant resources to build and maintain a program that is an essential part of the healthcare and law enforcement infrastructure that combats prescription

drug diversion, protects public health and safety, and provides an elemental piece of the basic electronic health record.

This program was honored to receive the Governor's Public Service award in 2009. We have also developed performance metrics for the program to ensure continuing quality performance.

Aging Vehicle Fleet for Field Staff

As the number one Change Package in our budget proposal, IPLA's fleet consists of ten (10) permanently assigned vehicles – four (4) 2008 Chrysler Sebring's acquired July 2008 and six (6) 2009 Ford Focus acquired August 2008. These vehicles are utilized by our compliance staff – six (6) Pharmacy compliance officers and four (4) professions compliance staff. All of our compliance staff has job duties which require them to travel both within their territory and throughout the State. We currently have 4 of our 10 vehicles with over 100,000 miles; 4 with mileage between 60,000 and 100,000 and 2 with mileage between 36,000 and 50,000. One of IDOA standards for vehicle replacement is the replacement vehicle should be replacing a vehicle with over 100,000 miles or have mechanical issues that warrant earlier replacement. Four of our vehicles are currently at or above that threshold. The current QPA (Quantity Purchase Agreement) established by IDOA has Ford Fusions listed at \$17,225 each. The cost to replace our four vehicles with top mileage would be \$68,900. In the 2nd year of the biennium, 3 more vehicles should have more than 100,000 miles. Those 3 could be replaced at a cost of \$51,675. The final 3 of 10 vehicles should reach 100,000 miles in the FY 15-17 biennium.

Nursing Board Staff Shortages

Our second priority and Change Package is to hire two additional case managers in our Nursing Board. The Nursing Board is the largest board housed within IPLA. The Nursing Board licenses nearly 10,000 new applicants each year. In the last five years, the number of new licensees has increased approximately 17% and continues to grow due to an influx of nursing programs available both in our state and online. As of September 15, 2012, Nursing Board staff has also processed over 11,000 criminal background checks for new nursing applicants. This was a new statutory mandate effective July 1, 2011. Of those, nearly 10% have some sort of an arrest or conviction history that requires additional work for the Nursing Board staff. Nursing Board case managers consistently carry a case load of between 300-600 cases each compared to other groups who carry case loads of around 100 files apiece. Lack of staffing resources combined with additional requirements for licensure creates a constant backlog of applications and a delay of 6-8 weeks to obtain licensure as a nurse in the State of Indiana. Given this information, we would respectfully request two additional case managers for the next budget year.

Toward the end of FY12, IPLA was granted permission to lower our target reversion from 3% to 1% and hire two case managers for the Nursing Board. We were able to stay within our spend plan at the newly established rate of 1%. We are requesting funds which this Change Package for two additional staff members to assist with the additional work. Cost for these two, with fringes would be \$78,445 each fiscal year, and a total for the biennium of \$156,890.

Should you have further questions or concerns, please contact me at (317) 234-1981 or by email at fkelly@pla.in.gov.

Respectfully,

Frances L. Kelly, Executive Director
Indiana Professional Licensing Agency
Enc.