



# The Florida Senate

Interim Project Report 2001-016

November 2000

Committee on Fiscal Policy

Senator Roberto Casas, Chairman

## ANALYSIS OF THE MEDICAL QUALITY ASSURANCE TRUST FUND FEE SCHEDULES AND CASH BALANCES

### SUMMARY

There are enormous pressures on the health care industry to reduce costs, and legislative mandates to increase access to quality health care. The regulatory system, in which licensing boards focus on the individual health care practitioner, serves the important role of advocate for the public welfare in the midst of these competing forces. Numerous health care professions are regulated by boards and councils in the Division of Medical Quality Assurance (MQA) within the Department of Health. The boards perform licensing and disciplinary functions and adopt administrative rules to implement duties mandated by law. MQA serves as a liaison between the public and the professional boards and councils, as well as between the licensees and their respective boards and councils. The division currently regulates over 700,000 health care practitioners.

These regulatory functions are financed solely from revenue collected from fees and other charges and deposited into the Medical Quality Assurance Trust Fund (MQATF). It is legislative intent that regulation of each profession operate within the anticipated fees generated by that profession. The General Appropriations Act for FY 2000-01 appropriated significant amounts from the MQATF to fund current regulatory operations and to complete the development of a computer system. During the 2000 legislative session, several appropriation issues, as well as substantive legislation, were considered that involved increasing regulatory activities that needed to be funded from the trust fund. It became evident that the historic manner in which these regulatory functions have been funded cannot continue without modification to avoid large deficits. For many years, several boards with large cash balances have supported the entire regulatory program while some boards have incurred persistent deficits.

This report recommends that the department comply with current law regarding: the long-range planning process; the required monitoring report; timely

preparation of the five-year projections of revenues, expenditures and cash balances; and recommend fee increases and statutory changes in the annual report. The department also needs to review the allocation of indirect costs and review the entire regulatory process to determine overall cost-effectiveness. Additionally, it is recommended that the Legislature consider exempting the MQATF from the General Revenue service charge and that state funds be used to subsidize certain professions that will never generate sufficient fee revenue to support operations.

### BACKGROUND

#### Medical Quality Assurance

Section 20.43, F.S., provides for the organization of the Department of Health (DOH) and creates the Division of Medical Quality Assurance (MQA) which is responsible for the licensure and discipline of health care practitioners. This function was transferred to the department effective July 1, 1997 in accordance with chapter 96-403, L.O.F. Prior to that date, the function was performed by the Agency for Health Care Administration (AHCA) from July 1, 1994 to July 1, 1997 and the Department of Business and Professional Regulation (DBPR) prior to July 1, 1994.

The division's mission is to protect and promote the health of all persons in Florida by diligently regulating health care practitioners and facilities. The MQA division consists of the following three bureaus:

- *Bureau of Health Care Practitioner Regulation* – responsible for policy making and programmatic activities.
- *Bureau of Management Services* – provides centralized purchasing, travel, communication, information dissemination, public record request response and disciplinary tracking support to the board offices.
- *Bureau of Operations* – coordinates the issuance and renewal of licenses, receipt of revenue, testing

services, unlicensed activity programs and the licensee credentialing and profiling activities.

The regulatory mission of the division is carried out in partnership with regulatory boards, which consist of volunteer members comprised of individuals licensed in that profession, as well as, consumer members appointed by the Governor and confirmed by the Senate. According to the department, the division is responsible for regulating 42 professions (see Exhibit 1) for 22 regulatory boards, six councils and four professions directly administered by the department. There are seven board offices that are responsible for policy making and programmatic activities related to groups of professions and for providing administrative support to the designated boards. MQA and its boards adopt rules to regulate health care practitioners. The division contracts with AHCA to coordinate and implement consumer, investigative, and prosecutorial services for the discipline of health care practitioners.

**Exhibit 1**

**MQA Regulated Professions**

**Fiscal Year 2000-2001**

Audiology	Mental Health Counseling
Acupuncture	Midwifery
Allopathic Physicians	Naturopaths
Athletic Trainers	Nursing
Certified Nursing Assist.	Nursing Home Administrat.
Chiropractic Medicine	Occupational Therapy
Clinical Lab Personnel	Opticianry
Clinical Social Work	Optical Establishments
Dental Hygienists	Optometry
Dental Laboratories	Orthotists
Dentistry	Osteopathic Medicine
Dietetics and Nutrition	Pharmacists
Electrolysis	Pharmacy
Electrolysis Facilities	Physical Therapy
Hearing Aid Specialists	Physician Assistants
Marriage and Family Ther.	Podiatric Medicine
Massage Establishments	Prosthetists
Massage Therapists	Psychology
Master Social Workers	Respiratory Care
Medical Doctors	School Psychology
Medical Physicists	Speech-language Pathology

Source: Department of Health, Division of MQA, September 2000

**General Regulatory Provisions**

Chapter 456, F.S., provides the general regulatory provisions for the health care professions within the division of MQA. (These provisions were previously located under Part II of chapter 455 but was transferred by chapter 2000-160, L.O. F.). In addition to the general regulatory provisions, each profession has its own practice act setting forth provisions applicable to the

practice standards and requirements for that profession.

**Medical Quality Assurance Trust Fund**

Section 20.435(1)(d), F.S., establishes the Medical Quality Assurance Trust Fund (MQATF) to be credited with revenue related to the licensing of health care practitioners. Section 456.025(5), F.S., requires that all licensure fees, fines, or costs awarded to the agency by a court be paid into the trust fund. Section 456.065(3), F.S., requires that the MQATF also be credited with revenues received from the department’s unlicensed activity efforts. Funds in the trust fund are to be used for the purpose of providing administrative support for the regulation of health care practitioners and for other such purposes as may be appropriate in accordance with legislative appropriation. Any balance in the trust fund at the end of any fiscal year remains in the trust fund and is available for carrying out the purposes of the trust fund.

**Licensure Fees, Receipts and Dispositions**

Section 456.025(1), F.S., requires each board to determine, by rule, licensure fees within statutory fee caps based upon long-range estimates from the department. Each board is responsible for ensuring that the licensure fees set are adequate to cover all anticipated costs in order to maintain a reasonable cash balance. If a board does not take sufficient action within one year after notification by the department that license fees are projected to be inadequate, the department is required to set license fees within caps on behalf of the board in order to cover anticipated costs and to maintain required cash balances. The department is required to include recommended fee cap increases in its annual report to the Legislature.

The law further specifies legislative intent that no regulated profession operate with a negative cash balance. The department is authorized to advance funds to a profession with a negative cash balance for a period not to exceed two consecutive years, however, the profession must pay interest. Section 456.025(3), F.S., provides that each board, or the department if there is no board, may collect a one-time fee from each active and each voluntary inactive licensee in an amount necessary to eliminate a cash deficit, or if there is not a cash deficit, in an amount sufficient to maintain the financial integrity of the professions as required; however, no more than one assessment may be made in any four-year period without specific legislative authorization.

Section 456.025(5), F.S., requires the department to maintain separate accounts in the trust fund for each profession and charge direct expenses as well as proportionately allocate indirect expenses to each

profession. Documentation to support allocated expenses must be maintained and the department is required to provide this information to the boards upon request. The department must provide each board with an annual report of revenue and direct and allocated expenses related to the operation of that profession. Boards are required to use these reports and the long-range plan to determine the amount of license fees. A condensed management report of this information, with recommendations from the department, is to be included in the annual report submitted to the Legislature. Additionally, condensed quarterly management reports are to be provided to each board.

### **Unlicensed Activities, Fees and Dispositions**

Section 456.065, F.S., requires enforcement of licensure regulation for all health care professionals. All unlicensed activity costs are to be borne by the professions regulated by the department. The department is authorized to charge a special fee of \$5 per licensee upon initial licensure and each renewal. This fee is to be in addition to all other fees collected from each licensee and is to be used to fund efforts to combat unlicensed activity. The law authorizes the department to earmark \$5 of the current licensure fee for this purpose as long as the board, or profession regulated by the department, is not in a deficit and has a reasonable cash balance. Only direct charges may be made by the department to this fund by profession and no indirect overhead may be allocated. The department may not charge costs to one profession on behalf of another profession. Separate accounts for these revenues are to be established by profession and the department is to report all financial and statistical data related to this effort as a separate category in its quarterly management report. The department, with concurrence of the applicable board, may transfer to the operating fund for a profession any balance which remains at the end of a renewal cycle.

### **Long-range Policy Planning**

Section 456.005, F.S., requires the department and the boards to develop and implement a long-range policy planning and monitoring process to include recommendations specific to each profession. The process is to include estimates of revenues, expenditures, cash balances, and performance statistics for each profession over a five year period. The department is required to monitor compliance with the plan, with input from the boards, and provide annual reports to the Governor and the Legislature by November 1 of each year. The review process must evaluate specific criteria such as cost effectiveness, the need for continued regulation, adequacy of consumer protection, consistency between practice acts, adequacy

of enforcement of unlicensed activity and include conclusions and recommendations. Condensed management reports are to be provided to the boards quarterly.

### **Annual Report**

Section 456.026, F.S., requires the department to submit an annual report to the Legislature by November 1 of each year. The report is to include finances and a review of the adequacy of existing fees, the number of administrative complaints, the number of disciplinary actions, the status of rules, and recommendations for administrative and statutory changes in order to facilitate efficient and cost-effective operation of the department and the various boards.

## **METHODOLOGY**

Senate Fiscal Policy Committee staff reviewed the statutes, policies and procedures, sources of fees, actual and projected expenditures, and cash balances for all accounts in the MQATF. The Internet was used as the primary research tool to collect information. The Department of Health (DOH) was consulted on numerous aspects of the program in order to obtain historical information and projections, discuss any reviews and audits performed, to determine proposed adjustments to fees, and to ascertain long-range plans. The Agency for Health Care Administration (AHCA) was consulted on aspects related to the enforcement activities. Finally, the Auditor General's Office was consulted in regards to their review of the department which included a review of the trust fund.

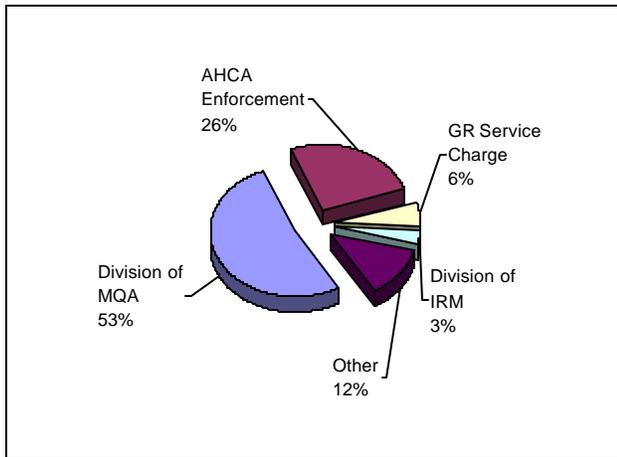
## **FINDINGS**

### **Program Funding**

A total of \$60.9 million was spent from the MQATF for the regulation of health care professions during FY 1999-00. As shown in Exhibit 2, the largest disbursement (53% or \$31.7 million) went to the Division of MQA for policy, testing, licensure, legal, expenses, impaired practitioner program, and credentialing/profiling. The second largest disbursement (26% or \$15.9 million) was for enforcement related activities performed under contract with the AHCA. The service charge to General Revenue consisted of 6% or \$3.6 million. Expenditures related to information resource management consisted of 3% or \$2.1 million. The remaining 12% or \$7.6 million is attributable to other activities such as transfers, fingerprinting and background screening, and other administrative costs.

### **Exhibit 2 MQATF Disbursements**

**Fiscal Year 1999-2000**



Includes Neurological Injury Compensation Association (NICA) and unlicensed activity  
 Source: Department of Health, Division of MQA, September 2000

**MQATF Cash Balance Projections**

Expenditures for the regulation of professions have more than doubled from \$25 million in FY 1994-95 to \$60.2 million in FY 1999-00. As shown in Exhibit 3, expenditures increased significantly from FY 1997-98 through FY 1999-00: 43% in FY 1997-98 to \$38.7 million; 17% in 1998-99 to \$45.3 million; and 33% in FY 1999-00 to \$60.2 million.

**Exhibit 3  
 MQATF Historical and Projected Revenues, Expenditures, and Cash Balances**

Year	Beg Cash	Revenue	Avail Cash	Exp	Cash Balance
1994-95	\$19.3	\$30.6	\$49.9	\$25.0	\$24.9
1995-96	\$24.9	\$43.5	\$68.5	\$28.8	\$39.7
1996-97	\$39.7	\$29.8	\$69.4	\$27.1	\$42.4
1997-98	\$42.4	\$49.4	\$91.8	\$38.7	\$53.1
1998-99	\$55.6	\$32.5	\$88.1	\$45.3	\$42.7
1999-00	\$42.7	\$49.9	\$92.7	\$60.2	\$32.4
2000-01*	\$32.4	\$39.0	\$71.5	\$56.2	\$15.3
2001-02*	\$15.3	\$59.2	\$74.5	\$59.3	\$15.2
2002-03*	\$15.2	\$34.4	\$49.6	\$57.2	(\$7.6)
2003-04*	(\$7.6)	\$48.9	\$41.3	\$59.4	(\$18.2)
2004-05*	(\$18.2)	\$44.1	\$25.9	\$60.3	(\$34.4)
2005-06*	(\$34.4)	\$48.9	\$14.5	\$61.9	(\$47.3)

(in millions)

\*Estimated

Excludes (NICA) and unlicensed activity

Source: Department of Health, Division of MQA, September 2000

These increases relate primarily to physician profiling, credentialing, the Practitioner Regulation and Enforcement System (PRAES), legal costs and AHCA enforcement activities. In an effort to reduce costs, the department has implemented cost-cutting measures that

include curtailing meetings, having telephone conference calls in lieu of meetings, substituting a national examination for the state examination, terminating mass mailings and reducing board office staff. The department also reduced its legal contract with the Attorney General's Office.

Staff in the Revenue Receiving Unit, Bureau of Operations, are responsible for handling revenues. This function is also contracted to Image Application Program Interface (API) due to workload requirements. The revenue received is validated and entered into the Practitioner Regulatory Application Enforcement System (PRAES) which assigns organizational codes for each profession. MQA professions renew licenses on a biennial schedule. Actual revenues over the past three two-year cycles have remained fairly constant: \$74.1 million in FY 1994-1996; \$79.2 million in FY 1996-98; and \$82.4 million in FY 1998-00 (see Exhibit 3). Since FY 1998-99, expenditures exceeded actual revenues and program costs have been funded from a combination of prior year cash balances and current year revenues.

The revenue estimates include a revised licensure renewal schedule that was implemented by the department in FY 2000-01 in order to better serve licensees as well as minimize revenue source fluctuations. According to department staff, approximately half of the professions renewal dates were affected by adding several months to their license. Renewals for medical doctors were divided into two groups, some with two year licenses and others with three year licenses. The projected change in revenues as a result of the revised licensure renewal schedule is a \$1.7 million increase for FY 2000-01; a \$4.7 million increase for FY 2001-02; a \$2.6 million decrease for FY 2002-03; a \$5.8 million decrease for FY 2003-04; a \$5.8 million increase for FY 2004-05; and a \$5.8 million decrease for FY 2005-06.

The second change that was factored into the revenue projections was an increase in fees beginning in FY 2000-01 for seven professions (Pharmacy, Psychology – application fee, Respiratory Therapy, Dentistry, Chiropractic, Clinical Labs, and Clinical Social Work, Marriage and Family Therapy, and Mental Health Counseling). It is estimated that an additional \$3.2 million will be received in FY 2000-01 and \$430,750 in FY 2001-02. These same amounts have been included over the next four years respectively.

Traditionally, the fund has had large cash balances and currently reflects a cash balance of \$32.4 million in FY 1999-00. Although the MQATF has an actual cash

balance, Exhibit 4 shows that over one-third or 12 of the boards/councils (Chiropractic, Clinical Lab Personnel, Certified Nursing Assistant, Certified Social Worker, Electrolysis, Hearing Aid Specialists, Midwifery, Naturopathic, Nursing Home Administrators, Orthotists and Prosthetists, Podiatry, and School Psychology) are in chronic deficits. Many of these boards/councils have been in chronic deficit for the past six years. The department's five-year projections indicate that the cash balance in the fund will decrease to \$15.3 million in FY 2000-01. It is estimated that Dentistry, Physician Assistant, and Psychology board/councils will also be in a deficit at the end of this fiscal year. In FY 2001-02, it is estimated that the cash balance will be \$15.2 million. Beginning in FY 2002-03, however, it is projected that there will be a \$7.7 million deficit which increases to a \$47.4 million deficit by FY 2005-06. By FY 2005-06, it is projected that 25 of the 32 boards/councils or 78% will be in a deficit.

#### **Licensure Fees**

Current licensure fees for nearly half of the boards/councils are not adequate to support their operations. Although some boards have raised fees, raising fees in some professions (i.e., Midwifery) would be cost prohibitive to licensees in order to alleviate the deficit situation. According to the department, the deficit related to Naturopathy continues to increase due to allocated costs as there are fewer than 10 licensees still practicing and no new licenses have been granted since 1959. Other boards have actually reduced fees because of what was felt to be a surplus balance at the time. While some boards are at their maximum statutory level for fees, others have flexibility to increase fees and have not done so. Although the law directs the department to set license fees on behalf of boards in order to cover costs, DOH has not done this due to an overall positive cash balance in the fund. Apparently, boards with large cash balances such as Medicine and Nursing have been subsidizing those boards that are in chronic deficit. The only exception authorized for one profession to pay expenses on behalf of another profession is that the Board of Nursing must pay for any costs incurred in the regulation of certified nursing assistants (chapter 2000-318, L.O.F.).

During the 2000 Legislative session, language was included in CS/CS/SB 2354 which provided: "Notwithstanding any other law, each board or the department if there is no board, must set fees in an amount necessary to cover the actual cost of regulation, and is not restricted to the current statutory fees ...". This language did not pass. According to the department, there has been very little legislation filed over the past

years to increase statutory fee caps.

Although the law requires the department to charge interest when funds have been advanced to a profession with a negative cash balance, the department had not done this and has exceeded the two year limit. DOH staff prepared an analysis for FY 1999-00 that reflected an interest receivable of \$216,471. It was recommended by the MQA division that the interest calculation not be incorporated into the revenue and expenditure projections because the revenues did not exist or may never materialize. The department has not exercised its option to request a one-time fee from licensees to eliminate a cash deficit.

The department prepared a "what if renewal fees were raised to the fee cap" scenario for all boards/councils to determine the impact on the projected cash balances. The analysis included raising fees beyond the statutory fee cap for eleven boards/councils that remained in a deficit. The analysis reflected large cash balances over the next five years: \$37.7 million for FY 2001-02; \$22.8 million for FY 2002-03; \$35.1 million for FY 2003-04; \$30.3 million for FY 2004-05; and \$40.1 million for FY 2005-06. Due to the large cash balances, it would not be necessary for all boards/councils to raise fees to the caps.

#### **Long-range Policy Planning**

The department does not have an adequate long-range policy planning process and has not submitted the required monitoring report to the Governor and Legislature by November 1 of each year. There have, however, been statewide planning meetings held to discuss program priorities. The long-range planning process is critical in order for the department to evaluate cost effectiveness and the adequacy of consumer protection. The department only recently began preparing the required five year projection of revenues, expenditures, and cash balances.

The department advised that a long-range plan would be submitted by November 1, 2000 with the goal of electronic business processes throughout MQA. The Long Range Program Plan (LRPP) for 2001-02 through 2005-06 stated that a priority in FY 2001-02 and immediate successive years was to more fully automate the health care practitioner licensing and renewal process. The department proposed electronic renewal of licenses and the ability to pay fees by credit card or debit card. According to the department, this would reduce the time for issuance of a renewal from the current four to six weeks to two or three days and will also reduce paperwork and workload related to the renewal process.

The department's Legislative Budget Request for FY 2001-02 included several cost savings initiatives for professional regulation that totaled \$4.1 million and a reduction of 7 staff. The department proposed using technology that included automating components of the health care practitioner licensing process, providing online license renewal notices, automation of revenue collection, and increased use of imaging to replace paper. Reductions were proposed for boards and councils that the department purports either had no significant impact on health and safety or were relatively inactive. These included the Board of Opticianry and Hearing Aids, the Electrolysis Council, and the Council of Medical Physicists. Reductions were proposed for professions that the department felt had limited benefits such as Dental Labs, Occupational Therapist and Occupational Therapist Assistants, and Dietetics and Nutrition. According to the department, eliminating these activities will streamline program management and not result in increased risk to the public. The department also recommended the elimination of costs related to the review of manuals. Finally, the department supports privatizing systems operations, maintenance, and technical help desk support for the CoreStat database system containing credentialing information.

### **Annual Report**

The department is required to submit annual reports to the Governor and Legislature by November 1 of each year. The last report submitted was for FY 1998-99. This report includes a summary of statutory and rule changes, active and inactive licensees, complaints, disposition of administrative complaints, fines and costs, and financial information for both licensed and unlicensed activity. However, the department did not make any recommendations for future statutory and rule changes. In addition, the department did not include any recommended statutory fee cap increases. Statutory changes were proposed in the department's legislative package for FY 2001-02 that reflected the proposed budget reductions.

### **Board Financial Information**

Expenditures are monitored through the Cash Balance Report that reflects revenues and expenditures by object code and an ending cash balance for licensed and unlicensed activities by profession. Expenditures, both operational and non-operational, are allocated based on a matrix that reflects the various services provided to the professions. The department has an approved cost allocation plan which reflects the allocation methodology used to allocate both direct and indirect costs. Allocation percentages used are based upon workload statistics

reported to MQA. However, some professions (such as Naturopathy) are being charged significant amounts of allocated costs in proportion to direct costs for activities that provide minimal benefits and require unreasonable fee increases to generate sufficient revenue to fund the cost of operations.

The department produced the first Cash Balance Report in February 1999 for FY 1997-98 which was not distributed to the boards. The Cash Balance Report for FY 1998-99 was produced and distributed to the boards in October 1999; however, the report was revised and subsequently redistributed in March 2000. The Cash Balance Report for FY 1999-00 was distributed to the boards in September 2000. The boards have a statutory obligation to monitor expenditures to ensure that fees and fines cover operational costs. The department began providing the boards with quarterly reports in May 2000 for the January – March, 2000, quarter (this reflected cumulative revenues/expenditures from July 1, 1999 – March 31, 2000). Financial data is discussed in board/council meetings, however, the department does not have a coordinated comprehensive plan to ensure that boards/councils set fees to cover estimated costs.

The Board of Dentistry filed a complaint with the department on November 16, 1999 concerning fiscal matters. The department's Office of the Inspector General (HIG) conducted an investigative report (*Investigative Report – Board of Dentistry HIG No. 99-115, Review Period 12/15/99 – 2/11/2000, Report Date: March 3, 2000*). The HIG found that MQA had not responded timely to a board members request for financial information, that quarterly financial reports had not been provided regularly to the boards, that MQA had problems correctly allocating funds, and that an audit of MQA was needed. The HIG did not find documentation of loss, theft, or misappropriation of trust fund dollars during their investigation. The Auditor General is currently performing a review of the department and is reviewing the MQATF. It is anticipated that this report will not be available until November 2000 after which Senate staff will review their recommendations.

### **Unlicensed Activity**

The unlicensed activity account currently has a cash balance of \$9.5 million in FY 1999-2000. Based on the department's five-year projections, the ending cash balance will gradually decrease to \$4.6 million by FY 2005-06. Expenditures are estimated to increase significantly to \$1.9 million in FY 2000-01 up from \$228,082 in the prior year. This increase is attributable to the \$1.8 million appropriation in FY 1999-00 to implement a more aggressive unlicensed activity program

which consists of a media campaign to educate consumers.

Although the account has an overall cash balance, there are several boards/councils that have negative cash balances. Some of these boards/councils have the \$5 fee charged as part of the licensure fee and not in addition to the licensure fee. The law allows the fee to be a part of the licensure fee only if the board has a reasonable cash balance. The department has the option to transfer to the operating fund for a profession any balance which remains at the end of a renewal cycle. This transfer of funds could help boards that are operating in a cash deficit. However, based on the department's projections, total expenditures will exceed current year revenues beginning in FY 2000-01. Expenditures will then be funded from a combination of prior year cash balances and current year revenues. It is likely that over time, the unlicensed activity account will go into a deficit and the fee caps will need to be revised.

#### **Enforcement Process**

The department contracts with the AHCA to coordinate and implement the enforcement activities. The agency received over 16,000 complaints about health care practitioners in FY 1999-00. Chapter 97-237, L.O.F., revised the disciplinary procedures and required investigation and recommendation of findings to be made within 180 days of filing of a disciplinary complaint. In FY 1999-00, the Legislature appropriated an additional 20 FTE and \$1.3 million for consumer and investigative services and 38 FTE and \$3.4 million for MQA legal. These positions have enabled AHCA to reduce the backlog of cases and meet the 180 day requirement to review a claim and get a probable-cause determination in over 80% of the time. The department plans to contract with a consultant to assess the disciplinary process with the goal of making recommendations on improving efficiencies, resources utilized, and technology.

1. The department should comply with current statutory requirements to implement a long-range policy planning and monitoring process and submit the required plan to the Governor and Legislature by November 1 of each year.
2. The department should prepare the five-year estimate of revenues, expenditures and cash balances as soon as possible after the close of the fiscal year so that this information can be included in the long-range planning process and be reviewed by the boards so that fees can be adjusted accordingly.
3. The department should include in the annual report recommendations on the adequacy of existing fees and statutory changes to facilitate cost-effective operations.
4. The department needs to review the cost allocation methodology for allocating indirect costs.
5. The department needs to continue to review the entire regulatory process, including enforcement, to determine the overall cost effectiveness and if certain regulatory functions should be privatized.
6. The Legislature should consider using state funds to subsidize fees for those professions which will never generate sufficient fee revenue to support operations.
7. The Legislature should consider exempting the MQATF from the General Revenue service charge which will allow the revenue to remain with the program and fund program operations.

### **RECOMMENDATIONS**

Since revenues have been fairly constant, expenditures have increased, and the long-range planning process has not been effective, the following recommendations are provided:

Exhibit 4  
**MEDICAL QUALITY ASSURANCE TRUST FUND**  
**ACTUAL AND PROJECTED CASH BALANCE**

BOARD / COUNCIL	Actual Cash Balance 1999-00	Projected Cash Balance 2000-01	Projected Cash Balance 2001-02	Projected Cash Balance 2002-03	Projected Cash Balance 2003-04	Projected Cash Balance 2004-05	Projected Cash Balance 2005-06
Acupuncture	840,304	780,832	956,515	851,879	997,180	872,288	1,001,456
Athletic Trainers	226,755	199,547	268,364	230,021	188,788	226,410	182,000
Chiropractic	(156,162)	(1,225,989)	(517,724)	(1,351,145)	(729,851)	(1,666,698)	(1,127,781)
Clinical Lab Personnel	(458,433)	(1,605,772)	(1,444,789)	(2,625,370)	(3,876,183)	(3,909,903)	(5,237,960)
Cert. Nursing Assistant	(710,060)	(920,528)	(1,151,387)	(1,368,693)	(1,600,445)	(1,837,700)	(2,085,341)
Cert. Social Worker	(124,753)	(127,758)	(133,688)	(136,798)	(142,742)	(146,159)	(152,347)
CSW, MFT & MHC	(389,375)	1,861,202	412,102	2,268,908	802,366	2,553,290	1,002,415
Dentistry	752,389	(2,014,701)	(2,057,324)	(4,890,791)	(4,942,089)	(7,969,213)	(8,174,755)
Dental Labs	670,721	634,384	696,958	626,729	667,455	588,939	623,065
Dietetics and Nutrition	281,230	256,825	53,612	(6,880)	(212,364)	(286,666)	(503,150)
Electrolysis	(582,453)	(802,325)	(909,042)	(1,133,648)	(1,260,730)	(1,499,146)	(1,637,228)
Hearing Aid Specialists	(800,418)	(1,031,584)	(1,536,272)	(1,777,537)	(2,283,545)	(2,554,273)	(3,083,748)
Massage Therapy	1,526,742	2,783,548	1,522,698	284,358	625,857	(714,682)	(454,583)
Medical Physicists	15,670	27,762	(46,109)	(36,849)	(110,912)	(105,948)	(183,434)
Medicine	12,268,936	245,196	8,389,955	(1,065,737)	(5,275,414)	(7,714,945)	(12,734,951)
Midwifery	(575,060)	(675,830)	(742,916)	(845,895)	(913,270)	(1,022,694)	(1,095,202)
Naturopathic	(231,650)	(237,010)	(240,708)	(246,173)	(249,885)	(255,657)	(259,613)
Nursing	10,907,979	9,001,852	6,287,915	3,465,971	410,978	(3,107,333)	(6,716,967)
Nursing Home Admin.	(125,232)	(449,822)	(715,499)	(1,032,008)	(1,521,314)	(1,681,868)	(2,194,885)
Occupational Therapy	581,693	667,214	407,471	437,875	164,669	174,817	(114,522)
Opticianry	1,095,345	975,410	750,406	718,086	177,077	253,305	(315,815)
Optometry	170,969	409,002	(136,848)	67,700	(479,909)	(314,645)	(893,543)
Orthotists & Prosthetists	(299,765)	(469,403)	(680,122)	(882,292)	(1,065,355)	(1,280,108)	(1,473,194)
Osteopathic Medical Exam.	1,466,918	606,228	1,559,487	892,405	1,652,704	908,896	1,608,084
Pharmacy	2,402,394	2,799,135	511,028	(2,168,489)	(1,848,747)	(4,727,445)	(4,566,347)
Physical Therapy	1,553,275	2,069,520	1,379,822	682,633	689,878	(58,871)	(92,693)
Physician Assistant	225,105	(104,994)	113,528	(223,830)	(9,755)	(368,289)	(171,081)
Podiatry	(170,867)	(497,078)	(157,786)	(389,211)	(77,962)	(336,395)	(46,657)
Psychology	406,501	(218,032)	235,593	(407,875)	(93,327)	(792,037)	(521,489)
Respiratory Therapy	(281,281)	573,987	46,622	661,819	131,353	709,414	149,371
School Psychology	(10,923)	17,997	(27,308)	(70,737)	(68,437)	(114,628)	(114,528)
Speech-Language, P & A	1,930,550	1,742,274	2,079,725	1,797,856	2,070,134	1,764,020	2,016,987
<b>TOTAL</b>	<b>32,407,044</b>	<b>15,271,089</b>	<b>15,174,279</b>	<b>(7,673,718)</b>	<b>(18,183,797)</b>	<b>(34,413,924)</b>	<b>(47,368,436)</b>

The Florida Birth-Related Neurological Injury Compensation Association (NICA) and unlicensed activity is excluded from actual FY 1999-00 and projections. Health Care Service Pools transferred to AHCA and is excluded from actual FY 1999-00.

Source: Department of Health, Division of MQA, September, 2000

**COMMITTEE(S) INVOLVED IN REPORT (Contact first committee for more information.)**

Committee on Fiscal Policy, 404 South Monroe Street, Tallahassee, FL 32399-1100, (850) 487-5140 SunCom 277-5140

Committee on Budget

Committee on Health, Aging and Long-Term Care

**MEMBER OVERSIGHT**

Senator Clary and Silver