

MEDICAL BOARD STAFF REPORT

DATE REPORT ISSUED: July 7, 2014
 ATTENTION: Members, Medical Board of California
 SUBJECT: Administrative Summary
 STAFF CONTACT: Kimberly Kirchmeyer, Executive Director

REQUESTED ACTION:

This report is intended to provide the Members with an update on the staffing, budget, and other administrative functions/projects occurring at the Medical Board of California (Board). No action is needed at this time.

Administrative Updates:

Board staff has had several meetings with interested parties regarding the Board.

- Dr. Levine, Mr. Serrano Sewell and the Executive Staff continue to have conference calls twice a month to review the actions of the Board and ensure the requests of the Board are being completed. Board Members are receiving monthly updates on activities at the Board as well as a pending projects list.
- Regular meetings were held with Denise Brown, Director of the Department of Consumer Affairs (DCA) and other DCA Executive staff. Meetings will continue with the new Director Awet Kidane.
- Regular meetings continue to be held with Gloria Castro, Senior Assistant Attorney General. The Board staff and DCA staff have also been meeting with Ms. Castro and other DOJ staff regarding a way to share documents using a Cloud Sharing System.
- Board staff have been meeting with the DCA and the Department of Justice to discuss requirements for the new CURES database. The Medical Board has been placed on the Joint Executive Steering Committee for this project. Board staff has begun to attend Joint Application Design (JAD) sessions with DOJ, DCA, other prescribing/dispensing licensing boards.
- Board staff have met with, and will meet on a quarterly basis, with the California Medical Association on issues of interest to both parties.
- Board staff have met with Consumer's Union on issues of interest to both parties.
- Board staff and DCA staff have met numerous times to finalize the transition of the Board's investigators to the DCA.
- Board staff have been meeting with Legislative Members and Staff regarding bills impacting the Board.
- Board staff continue to meet with representatives from the California Department of Public Health, the Board of Pharmacy, Dental Board, the Department of Health Care Services, the Department of Justice, the Emergency Medical Services Authority, and the DCA regarding prescription opioid misuse and overdose. The group is identifying ways all the entities can work together to educate prescribers, dispensers, and patients regarding this issue of serious concern.
- An all headquarters' staff meeting was held to provide staff with a copy of the Board's new Strategic Plan and to provide an update on Board activities.

Staffing Update:

On July 1, 2014 the transition of the Board's investigators was finalized with the staff moving to the DCA. Prior to the transition, the Board had 271.1 permanent full-time employees. This transition moved 116 of those permanent full-time positions to the DCA. In addition, on July 1, 2014 the Board was authorized, through two approved Budget Change Proposals (BCP) to receive five positions for enforcement enhancement positions and a new Chief of Enforcement (to be called an Enforcement Program Manager). With all of the changes, the Board now has 160.1 permanent full-time positions (in addition to temporary staff). Based upon this new staff total, the Board is at a 10% vacancy rate which equates to 16 vacant positions. This is up from the report provided in the last Administrative Summary in part because of the loss of the investigator positions, but also because five of these positions were just added through the BCP process (and some are still pending approval by DCA). However, of those 16 vacant positions, the Board has 2 individuals pending a start date, or pending

verification of eligibility. Therefore, the Board only has 14 positions that do not have an individual identified for the position. This equates to a **9 % vacancy rate** for the Board.

The Board Complaint Investigative Office is completely staffed and is working on investigating cases for the Board (one Supervising Special Investigator and six Special Investigators). As previously stated, these positions were a result of the Consumer Protection Enforcement Initiative (CPEI). These positions are unfunded in the Board's budget, but the Board is using savings from vacant positions to be able to fill these positions. This unit is investigating some of the less complex cases, whereby reducing the caseload for the sworn investigators in the district offices. Also as previously stated, the Board will not be filling additional unfunded positions until the Board has an opportunity to assess the impact of Senate Bill 304 and the transfer of the investigators to the DCA.

The Board is in the process of hiring a new Deputy Director for the Medical Board. Initial interviews have been completed and the second round of interviews have been scheduled with Dr. Levine. The Board hopes to have an individual in this position by at least August 1, 2014, if not prior.

Budget Update:

The Board had four Budget Change Proposals approved for fiscal year (FY) 14-15. The BCPs include: 1) five additional employees to enhance the Board's Enforcement Program (one of the positions was for an investigator so the position was transferred to the DCA), 2) funding for the BreEZe system for FY 2014/2015, 3) reimbursement authority for the License Midwifery Program to reimburse the Board for services provided to this Program, and 4) the transition of the investigators to the DCA pursuant to Senate Bill 304, including a position for an Enforcement Program Manager.

The Board's budget documents are attached, beginning on page BRD 8B-4 and continue to page BRD 8B-14. The Board's fund condition on page BRD 8B-4 projects the Board's fund reserve, at the end of FY 2013/2014, to be at 4.3 months. However, based upon projections the Board will revert monies due to vacancies as well as the BreEZe project not being implemented when projected. A final budget document will be provided at the next Board meeting.

The fund condition report indicates that the Board's fund reserve will be negative in FY 2016/2017. However, the Board continues to have two outstanding loans to the General Fund. These loans will be repaid when the Board reaches its minimum mandated level of two months' reserve. Therefore, page BRD 8B-5 shows partial repayment of the outstanding loans in FYs 2015/2016 and 2016/2017. With the repayment of these loans, the Board would remain at its statutory mandate.

It is not prudent at this time to consider any reduction in licensing fees as previously recommended by the Bureau of State Audits. The other element to take into consideration when reviewing the fund condition is that the Board does not know the impact of the transfer of the investigators to the DCA and, therefore, should wait until the transition has been implemented before any decisions can be made on how the Board's budget and fund will be impacted. The Board will continue to monitor its fund to determine any needed changes.

The Board's overall actual expenditures for FY 2013/2014, as of May 31, 2014, can be found on page BRD 8B-6, and pages BRD 8B-7 to 8B-11 show the budget report specifically for enforcement, the AG expenditures, and licensing. Page BRD 8B-14 provides the Board Members' expenditure report as of June 27, 2014.

BreEZe Update:

Staff continue to identify and submit requests for changes/fixes to DCA for the BreEZe system. Several of the Board's issues have been resolved, however, the Board continues to have a significant number of outstanding requests for changes that were identified prior to implementation but were not fixed prior to the release of BreEZe because they were deemed not detrimental to the Board being able to go live. Several releases that include fixes to the system have been completed since April 2014. In addition, a release is planned for August 2014 that will hopefully contain a significant number of improvements to the system. As new issues arise, the Board has to prioritize whether the new issue needs to be fixed prior to some of the old pending requests. The Board's Information System Branch staff has been instrumental in making sure the Board's issues are being identified and provided to the DCA for resolution. As previously stated, DCA is working to amend the contract to obtain a better maintenance process for the Boards who are currently working in the BreEZe system.

The Board is beginning to be able to work on reports specific to the needs of the Board. The Board hopes to have reports available for both licensing and enforcement by the October Board meeting.

Board of Pharmacy Update:

Virginia Herold, Executive Officer of the Board of Pharmacy, has provided a written summary of the activities of the Board of Pharmacy (please see BRD 8B-15 and 16). The two boards (Medical and Pharmacy) continue to work together on issues of similar interest.

0758 - Medical Board Analysis of Fund Condition

(Dollars in Thousands)

	ACTUAL 2012-13	CURRENT YEAR 2013-14	BY 2014-15	BY+1 2015-16	BY+2 2016-17
BEGINNING BALANCE	\$ 24,612	\$ 26,498	\$ 21,141	\$ 14,944	\$ 7,607
Prior Year Adjustment	\$ (38)	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 24,574	\$ 26,498	\$ 21,141	\$ 14,944	\$ 7,607
REVENUES AND TRANSFERS					
Revenues:					
125600 Other regulatory fees	\$ 365	\$ 330	\$ 331	\$ 331	\$ 331
125700 Other regulatory licenses and permits	\$ 6,174	\$ 5,961	\$ 5,961	\$ 5,961	\$ 5,961
125800 Renewal fees	\$ 46,107	\$ 45,687	\$ 45,727	\$ 45,727	\$ 45,727
125900 Delinquent fees	\$ 94	\$ 98	\$ 98	\$ 98	\$ 98
142500 Miscellaneous services to the public	\$ 33	\$ 30	\$ 30	\$ 30	\$ 30
150300 Income from surplus money investments	\$ 98	\$ 75	\$ 65	\$ 63	\$ 40
160400 Sale of fixed assets	\$ 4	\$ 3	\$ 3	\$ 3	\$ 3
161000 Escheat of unclaimed checks and warrants	\$ 15	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 5	\$ 16	\$ 16	\$ 16	\$ 16
164300 Penalty assessments - Probation Monitoring		\$ 900	\$ 900	\$ 900	\$ 900
Totals, Revenues	\$ 52,895	\$ 53,100	\$ 53,131	\$ 53,129	\$ 53,106
Transfers:					
TOTALS, REVENUES AND TRANSFERS	\$ 52,895	\$ 53,100	\$ 53,131	\$ 53,129	\$ 53,106
TOTAL RESOURCES	\$ 77,469	\$ 79,598	\$ 74,272	\$ 68,073	\$ 60,713
EXPENDITURES					
Disbursements:					
0840 State Controller (State Operations)	\$ 34	\$ 3	\$ -	\$ -	\$ -
8880 FSCU (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -
FISCAL	\$ 278	\$ 259	\$ 48	\$ -	\$ -
1110 Program Expenditures (State Operations)	\$ 50,659	\$ 56,167	\$ 56,354	\$ 58,415	\$ 59,625
<u>2013-2014 and 2014-15 Approved Costs</u>					
BreEZe Costs		\$ 1,209	\$ 1,531		
CURES		\$ 819	\$ 819		
Enforcement Enhancements			\$ 471	\$ 415	\$ 415
SB 304			\$ 118	\$ 118	\$ 118
Establish Spending Authority for Midwifery			\$ (13)	\$ (13)	\$ (13)
<u>Anticipated Future Costs</u>					
BreEZe Costs				\$ 1,531	\$ 1,531
Totals, Disbursements	\$ 50,971	\$ 58,457	\$ 59,328	\$ 60,466	\$ 61,676
FUND BALANCE					
Reserve for economic uncertainties	\$ 26,498	\$ 21,141	\$ 14,944	\$ 7,607	\$ (963)
Months in Reserve	5.4	4.3	3.0	1.5	-0.2

NOTES:

A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR 2015-16 AND BEYOND.

B. INTEREST ON FUND ESTIMATED AT .361%

\$9 million was loaned to the General Fund by the Board in FY 11/12 and \$6 million was loaned to the General Fund in FY 08/09. These loans will be repaid when the fund is nearing its minimum mandated level.

7/2/2014

0758 - Medical Board Analysis of Fund Condition

(Dollars in Thousands)

With General Fund Loan repayment

	ACTUAL 2012-13	CURRENT YEAR 2013-14	BY 2014-15	BY+1 2015-16	BY+2 2016-17
BEGINNING BALANCE	\$ 24,612	\$ 26,498	\$ 21,141	\$ 14,944	\$ 13,607
Prior Year Adjustment	\$ (38)	\$ -	\$ -	\$ -	\$ -
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REVENUES AND TRANSFERS					
Revenues:					
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164300 Penalty assessments - Probation Monitoring		\$ 900	\$ 900	\$ 900	\$ 900
Totals, Revenues	\$ 52,895	\$ 53,100	\$ 53,131	\$ 53,129	\$ 53,106
Transfers:					
Proposed GF Loan Repayment				\$ 6,000	\$ 7,000
TOTALS, REVENUES AND TRANSFERS	\$ 52,895	\$ 53,100	\$ 53,131	\$ 59,129	\$ 60,106
TOTAL RESOURCES	\$ 77,469	\$ 79,598	\$ 74,272	\$ 74,073	\$ 73,713
EXPENDITURES					
Disbursements:					
0840 State Controller (State Operations)	\$ 34	\$ 3	\$ -	\$ -	\$ -
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FISCAL	\$ 278	\$ 259	\$ 48	\$ -	\$ -
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<u>Anticipated Future Costs</u>					
BreEZe Costs				\$ 1,531	\$ 1,531
Totals, Disbursements	\$ 50,971	\$ 58,457	\$ 59,328	\$ 60,466	\$ 61,676
FUND BALANCE					
Reserve for economic uncertainties	\$ 26,498	\$ 21,141	\$ 14,944	\$ 13,607	\$ 12,037
Months in Reserve	5.4	4.3	3.0	2.6	2.4

NOTES:

A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR 2015-16 AND BEYOND.

B. INTEREST ON FUND ESTIMATED AT .361%

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7/2/2014

Medical Board of California
 FY 13/14
 Budget Expenditure Report
 (As of May 31, 2014)
 (90% of fiscal year completed)

OBJECT DESCRIPTION	BUDGET ALLOTMENT	EXPENSES/ ENCUMB	PERCENT OF BUDGET EXP/ENCUMB	UNENCUMB BALANCE
PERSONAL SERVICES				
Salary & Wages (Staff & Exec Director)	16,540,850	14,256,519	86.2	2,284,331
Board Members	31,500	69,225	219.8	(37,725)
Phy Fitness Incentive Pay	29,623	6,535	22.1	23,088
Temp Help	1,800,000	1,131,127	62.8	668,873
Overtime	50,000	115,398	230.8	(65,398)
Staff Benefits	8,328,522	7,151,821	85.9	1,176,701
BL 12-03 Blanket	0	91,067		0
TOTALS, PERS SERVICES	26,780,495	22,821,692	85.2	4,049,870
OPERATING EXP & EQUIP				
General Expense	300,535	581,408	193.5	(280,873)
Fingerprint Reports	333,448	268,031	80.4	65,417
Minor Equipment	24,300	95,724	393.9	(71,424)
Printing	435,755	209,931	48.2	225,824
Communications	257,190	212,318	82.6	44,872
Postage	182,511	143,855	78.8	38,656
Insurance	41,053	16,106	39.2	24,947
Travel In-State	361,298	318,546	88.2	42,752
Travel Out-of-State	7,000	13,318	190.3	(6,318)
Training	78,895	64,991	82.4	13,904
Facilities Operation (Rent)	2,490,025	2,457,038	98.7	32,987
Consult/Prof Services	2,198,594	1,559,710	70.9	638,884
Departmental Prorata	5,034,442	5,035,167	100.0	(725)
Interagency Services	5,142	0	0.0	5,142
Consolidated Data Center	650,230	416,159	64.0	234,071
Data Processing	129,492	293,949	227.0	(164,457)
Central Admin Svcs (Statewide Prorata)	2,417,774	2,417,774	100.0	0
Attorney General Services	13,347,280	11,865,043	88.9	1,482,237
Office of Administrative Hearings	1,525,080	927,509	60.8	597,571
Evidence/Witness	1,893,439	1,597,299	84.4	296,140
Court Reporter Services	225,000	282,976	125.8	(57,976)
Major Equipment	392,120	143,263	36.5	248,857
Other Items of Expense	81	32,213	39,769.1	(32,132)
Vehicle Operations	247,925	277,976	112.1	(30,051)
Court-ordered Payments	0	1,816		(1,816)
Board of Control Claim	0	992		(992)
TOTALS, OE&E	32,578,609	29,233,112	89.7	3,345,497
TOTALS, EXPENDITURES	59,359,104	52,054,804	87.7	7,304,300
Scheduled Reimbursements	(384,000)	(444,538)	115.8	60,538
Distributed Costs	(780,000)	(515,745)	66.1	(264,255)
NET TOTAL, EXPENDITURES	58,195,105	51,094,521	87.8	7,100,583
Unscheduled Reimbursements		(1,318,830)		
		49,775,691		

Budget Expenditure Report.xls
 Date:6/24/14

MEDICAL BOARD OF CALIFORNIA
LICENSING PROGRAM
BUDGET REPORT
JULY 1, 2013 - MAY 31, 2014

	FY 13/14 BUDGET	EXPENDITURES/ ENCUMBRANCES YR-TO-DATE	LAG TIME (MONTHS)
PERSONAL SERVICES			
Salaries & Wages	2,776,800	2,374,433	current
Staff Benefits	<u>1,303,330</u>	<u>1,133,415</u>	current
TOTAL PERSONAL SERVICES	4,080,130	3,507,848	
OPERATING EXPENSES & EQUIPMENT			
General Expense	47,000	17,087	1-2
Fingerprint Reports*	333,448	266,878	1-2
Printing	99,876	53,472	1-2
Communications	32,246	21,452	1-2
Postage	100,000	78,787	1-2
Travel In-State	9,758	10,470	1-2
Travel Out-State	0	5,341	
Training	8,500	897	1-2
Facilities Operation	226,000	267,742	current
Consult/Professional Services	1,810,873	1,270,571	1-2
Departmental Services	697,774	575,940	current
Interagency Services	587	0	current
Data Processing	4,000	4,063	1-2
Statewide Pro Rata	335,103	335,103	current
Attorney General	190,000	47,899	current
Evidence/Witness Fees	7,500	0	1-2
Court Reporter Services	250	0	1-2
Major Equipment	0	0	1-2
Minor Equipment	<u>0</u>	<u>20,636</u>	1-2
TOTAL OPERATING EXPENSES & EQUIPMENT	3,902,915	2,976,338	
SCHEDULED REIMBURSEMENTS	(384,000)	(444,538)	
DISTRIBUTED COSTS	(31,131)	(18,738)	
TOTAL BUDGET/EXPENDITURES	7,567,914	6,020,910 **	

*Department of Justice invoices for fingerprint reports, name checks, and subsequent arrest reports

** Includes Polysom

6/24/2014

MEDICAL BOARD OF CALIFORNIA
 ENFORCEMENT PROGRAM
 BUDGET REPORT
 JULY 1, 2013- MAY 31, 2014

	FY 13/14 BUDGET	EXPENDITURES/ ENCUMBRANCES YR-TO-DATE	LAG TIME (MONTHS)
PERSONAL SERVICES			
Salaries & Wages	10,926,314	9,391,851	current
Staff Benefits	<u>4,869,104</u>	<u>4,217,224</u>	current
TOTAL PERSONAL SERVICES	15,795,418	13,609,075	
OPERATING EXPENSE & EQUIPMENT			
General Expense/Fingerprint Reports	144,768	409,656	1-2
Printing	157,926	114,416	1-2
Communications	127,358	136,649	1-2
Postage	69,500	62,846	1-2
Insurance	38,235	13,870	current
Travel In-State	229,018	231,547	1-2
Travel Out-State	7,000	7,768	1-2
Training	31,000	49,896	1-2
Facilities Operations	1,922,825	1,733,984	current
Consultant/Professional Services	300,000	266,771	1-2
Departmental Services	3,440,033	3,551,802	current
Interagency Services	3,629	0	1-2
Data Processing	18,000	46,511	1-2
Statewide Pro Rata	1,652,065	1,652,065	current
Attorney General 1/ OAH	13,157,280	11,817,144	current
Evidence/Witness Fees	1,525,080	927,509	1
Court Reporter Services	1,820,939	1,503,910	1-2
Major Equipment	224,750	282,976	1-2
Major Equipment	0	128,827	1-2
Other Items of Expense (Law Enf. Materials/Lab, etc.)	81	31,785	1-2
Vehicle Operations	206,925	235,508	1-2
Minor Equipment	0	49,480	1-2
Court-Ordered Payments	<u>0</u>	<u>1,816</u>	current
TOTAL OPERATING EXPENSES & EQUIPMENT	25,076,412	23,256,736	
DISTRIBUTED COSTS	(744,054)	(488,580)	
TOTAL BUDGET/EXPENDITURES	40,127,776	36,377,231	
Unscheduled Reimbursements		<u>(232,934)</u>	
		36,144,297	

1/See next page for monthly billing detail
 6/24/2014

MEDICAL BOARD OF CALIFORNIA
 ATTORNEY GENERAL EXPENDITURES - FY 13/14
DOJ AGENCY CODE 003573 - ENFORCEMENT (6303)
 page 1 of 2

		<u>Number of Hours</u>	<u>Rate</u>	<u>Amount</u>
July	Attorney Services	6,177.00	170.00	1,050,090.00
	Paralegal Services	289.25	120.00	34,710.00
	Auditor/Analyst Services	273.75	99.00	27,101.25
	Cost of Suit			0.00
				<u>1,111,901.25</u>
August	Attorney Services	5,997.25	170.00	1,019,532.50
	Paralegal Services	302.00	120.00	36,240.00
	Auditor/Analyst Services	233.75	99.00	23,141.25
	Cost of Suit			5,311.65
				<u>1,084,225.40</u>
September	Attorney Services	5,722.50	170.00	972,825.00
	Paralegal Services	294.50	120.00	35,340.00
	Auditor/Analyst Services	167.25	99.00	16,557.75
	Cost of Suit			1,885.50
				<u>1,026,608.25</u>
October	Attorney Services	7,128.00	170.00	1,211,760.00
	Paralegal Services	323.00	120.00	38,760.00
	Auditor/Analyst Services	224.50	99.00	22,225.50
	Special Agent	2.00	120.00	240.00
	Cost of Suit			2,035.55
				<u>1,275,021.05</u>
November	Attorney Services	5,474.00	170.00	930,580.00
	Paralegal Services	174.25	120.00	20,910.00
	Auditor/Analyst	169.25	99.00	16,755.75
	Cost of Suit			11,674.85
				<u>979,920.60</u>
December	Attorney Services	5,591.00	170.00	950,470.00
	Paralegal Services	111.75	120.00	13,410.00
	Auditor/Analyst	153.75	99.00	15,221.25
	Cost of Suit			1,828.29
				<u>980,929.54</u>
			Total July-Dec =	6,458,606.09
			FY 13/14 Budget =	13,157,280.00

MEDICAL BOARD OF CALIFORNIA
 ATTORNEY GENERAL EXPENDITURES - FY 13/14
DOJ AGENCY CODE 003573 - ENFORCEMENT (6303)
 page 2 of 2

January	Attorney Services	6,227.00	170.00	1,058,590.00
	Paralegal Services	4.25	120.00	510.00
	Auditor/Analyst	210.75	99.00	20,864.25
	Cost of Suit			51.50
				<u>1,080,015.75</u>
February	Attorney Services	5,671.75	170.00	964,197.50
	Paralegal Services	163.00	120.00	19,560.00
	Auditor/Analyst	153.75	99.00	15,221.25
	Cost of Suit			2,333.47
				<u>1,001,312.22</u>
March	Attorney Services	5,931.50	170.00	1,008,355.00
	Paralegal Services	250.25	120.00	30,030.00
	Auditor/Analyst Services	199.75	99.00	19,775.25
	Cost of Suit			15,738.00
				<u>1,073,898.25</u>
April	Attorney Services	6,290.00	170.00	1,069,300.00
	Paralegal Services	308.75	120.00	37,050.00
	Auditor/Analyst Services	164.00	99.00	16,236.00
	Cost of Suit			1,074.16
				<u>1,123,660.16</u>
May	Attorney Services	6,049.25	170.00	1,028,372.50
	Paralegal Services	297.25	120.00	35,670.00
	Auditor/Analyst Services	152.50	99.00	15,097.50
	Cost of Suit			511.65
				<u>1,079,651.65</u>
June	Attorney Services	0.00	170.00	0.00
	Paralegal Services	0.00	120.00	0.00
	Auditor/Analyst Services	0.00	99.00	0.00
	Cost of Suit			0.00
				<u>0.00</u>

Revised 06/24/2014

FYTD Total = 11,817,144.12
FY 13/14 Budget = 13,157,280.00

ENFORCEMENT/PROBATION RECEIPTS
MONTHLY PROFILE: JULY 2011 - JUNE 2014

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	FYTD Total
Invest Cost Recovery	300	350	300	100	50	3,932	40,589	50	10,281	0	0	0	55,952
Criminal Cost Recovery	0	0	150	0	50	250	605	504	1,055	754	14,147	2,558	20,073
Probation Monitoring	42,542	41,848	44,639	105,369	96,368	109,993	343,253	222,925	83,025	97,287	59,217	34,113	1,280,578
Exam	1,639	777	2,481	627	1,692	2,552	977	1,106	6,495	1,831	6,024	2,224	28,424
Cite/Fine	200	4,350	800	10,650	3,250	6,400	8,650	7,002	3,450	7,825	3,075	3,800	59,452
MONTHLY TOTAL	44,681	47,325	48,370	116,745	101,409	123,127	394,074	231,587	104,307	107,698	82,462	42,695	1,444,479
FYTD TOTAL	44,681	92,005	140,375	257,120	358,530	481,657	875,730	1,107,317	1,211,624	1,319,322	1,401,784	1,444,479	
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	FYTD Total
Invest Cost Recovery	250	300	650	2,349	750	700	4,527	600	2,595	6,888	600	500	20,709
Criminal Cost Recovery	1,409	705	619	5,136	964	10,914	2,411	1,198	676	489	39,422	2,871	66,814
Probation Monitoring	38,879	47,871	26,432	65,999	45,648	146,950	434,545	319,499	52,448	55,458	29,123	33,854	1,296,706
Exam	1,848	3,456	6,563	2,666	5,212	975	3,074	1,625	4,725	12,262	138	1,881	44,424
Cite/Fine	2,800	1,900	4,750	6,268	8,586	12,300	8,700	4,059	3,850	1,650	3,100	7,300	65,263
MONTHLY TOTAL	45,186	54,232	39,014	82,418	61,160	171,839	453,257	326,981	64,294	76,747	72,382	46,406	1,493,916
FYTD TOTAL	45,186	99,418	138,432	220,850	282,010	453,849	907,106	1,234,087	1,298,381	1,375,128	1,447,510	1,493,916	
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FYTD Total
Invest Cost Recovery	650	550	550	0	0	50	1,050	50	0	100	50		3,050
Criminal Cost Recovery	499	698	1,050	3,127	8,857	204	2,824	9,707	100	7,352	1,235		35,653
Probation Monitoring	69,560	54,598	28,303	0	100,901	115,137	439,694	161,273	109,197	136,412	63,742		1,278,817
Exam	7,232	6,164	4,537	0	5,568	1,500	7,328	3,075	4,929	5,784	3,953		50,070
Cite/Fine	2,850	5,450	2,000	4,925	2,975	2,850	1,100	1,100	0	750	1,850		25,850
MONTHLY TOTAL	80,791	67,460	36,440	8,052	118,301	119,741	451,996	175,205	114,226	150,398	70,830	0	1,393,439
FYTD TOTAL	80,791	148,251	184,691	192,743	311,044	430,784	882,780	1,057,985	1,172,211	1,322,609	1,393,439	1,393,439	

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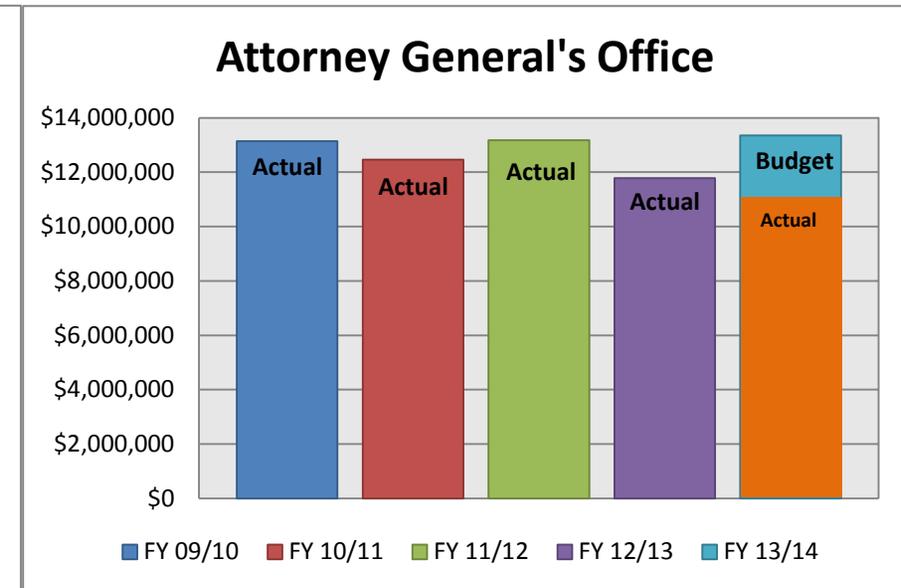
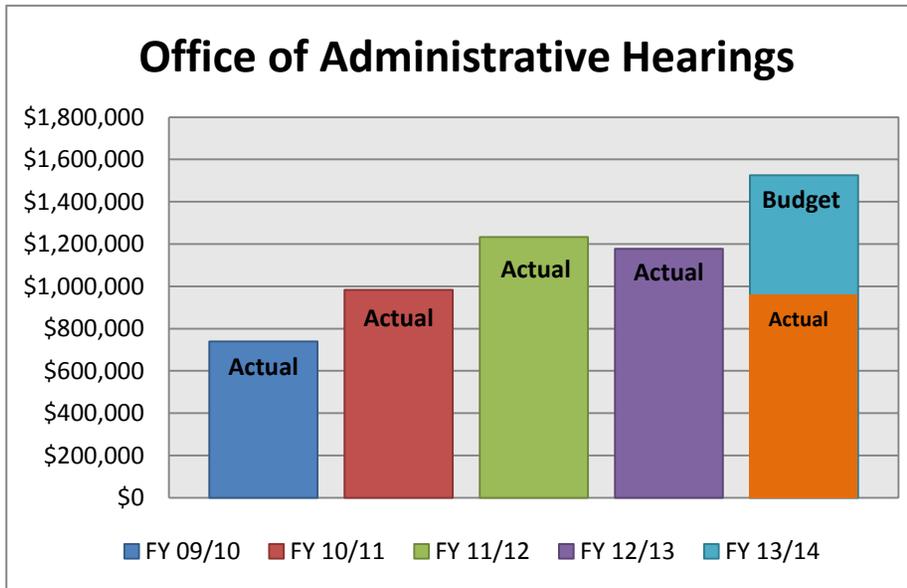
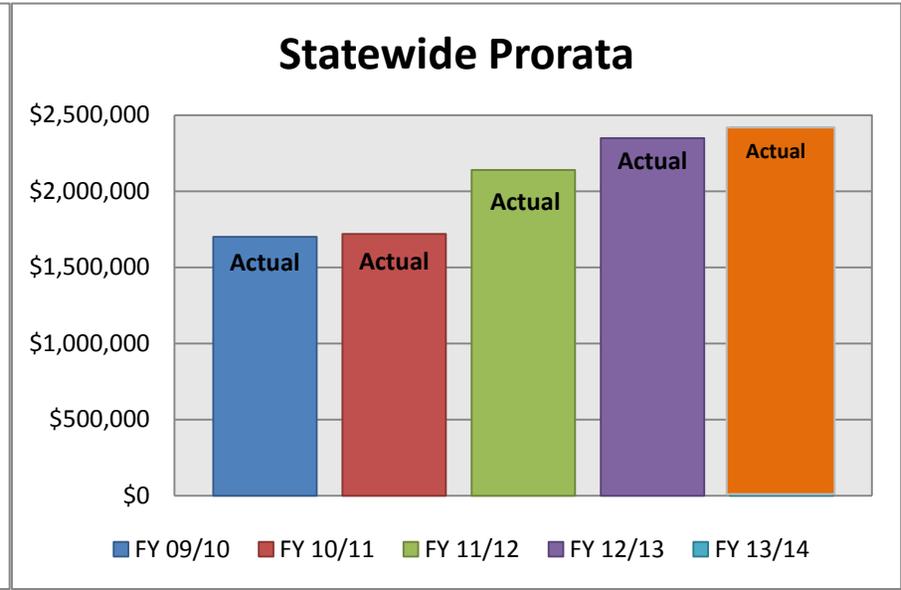
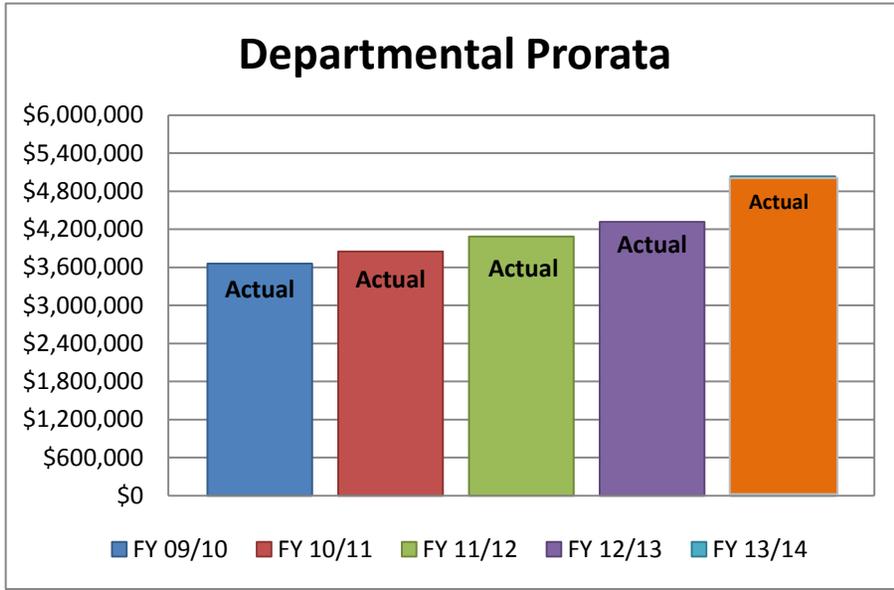
NOTE: Beginning with October 2013, payment amounts reflect payments made directly to MBC; they do not include payments made through BreEze online system. Online payment information is unavailable.

MEDICAL BOARD OF CALIFORNIA BUDGET OVERVIEW BY BOARD COMPONENT

	EXEC	ENFORCE	OPERATION SAFE MEDICINE	LICENSING	ADMIN SERVICES	INFO SYSTEMS	PROBATION MONITORING	BOARD TOTAL
FY 10/11								
\$ Budgeted	1,944,000	37,720,000	577,000	5,045,000	1,688,000	3,118,000	1,735,000	51,827,000
\$ Spent *	1,771,000	34,420,000	651,000	5,061,000	1,564,000	2,948,000	487,000	46,902,000 *
Positions Authorized	8.8	165.0	6.0	52.3	15.0	17.0	25.0	289.1
FY 11/12								
\$ Budgeted	1,885,220	40,510,088		5,336,015	1,585,554	3,069,028	2,013,445	54,399,350
\$ Spent *	1,775,576	33,754,208		4,745,127	1,543,636	2,810,667	503,487	45,132,701 *
Positions Authorized	8.8	164.1		53.3	15.0	17.0	25.0	283.2
FY 12/13								
\$ Budgeted	2,132,008	39,300,606	525,515	6,399,247	1,570,587	3,754,162	2,239,391	55,921,516
\$ Spent*	1,762,058	37,058,493	672,700	5,770,689	1,671,010	3,001,574	720,484	50,657,008 *
Positions Authorized	8.8	147.0	6.0	53.3	14.0	17.0	25.0	271.1
FY 13/14								
\$ Budgeted	2,304,466	40,127,776	716,147	7,567,914	1,833,855	3,363,720	2,281,227	58,195,105
\$ Spent thru 05/31*	1,321,398	36,144,297	822,190	6,020,910	1,532,229	2,959,005	975,662	49,775,691 *
Positions Authorized	8.8	147.0	6.0	53.3	14.0	17.0	25.0	271.1

* net expenditures (includes unscheduled reimbursements)

Strategic Plan Objective 5.3 External Agencies' Spending



Board Members' Expenditures - Per Diem/Travel
July 1, 2013 - June 30, 2014

NAMES	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	YTD
DR. BISHOP - Per diem	\$ 600.00	\$ 400.00	\$ 600.00	\$ 600.00	\$ 500.00	\$ 500.00	\$ 300.00	\$1,000.00	\$ 200.00	\$ 700.00	\$ 800.00	\$ -	\$ 6,200.00
Travel	\$ 799.36		\$ 698.96	\$ 464.02	\$ -		\$ -	\$1,836.96	\$ -	\$ -	\$ -	\$ -	\$ 3,799.30
	\$1,399.36	\$ 400.00	\$1,298.96	\$ 1,064.02	\$ 500.00	\$ 500.00	\$ 300.00	\$2,836.96	\$ 200.00	\$ 700.00	\$ 800.00	\$ -	\$ 9,999.30
DR. DIEGO - Per diem	\$ 500.00	\$1,700.00	\$ -	\$ 1,700.00	\$1,400.00	\$1,300.00	\$ 400.00	\$ 900.00	\$ 400.00	\$ 600.00	\$ 400.00	\$ -	\$ 9,300.00
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 503.35	\$ -	\$ -	\$ 744.09	\$ -	\$ 1,247.44
	\$ 500.00	\$1,700.00	\$ -	\$ 1,700.00	\$1,400.00	\$1,300.00	\$ 400.00	\$1,403.35	\$ 400.00	\$ 600.00	\$1,144.09	\$ -	\$ 10,547.44
DR GNANADEV - Per diem	\$ 900.00	\$1,300.00	\$1,100.00	\$ 900.00	\$ 800.00	\$1,200.00	\$ 900.00	\$ 700.00	\$ 800.00	\$ 700.00			\$ 9,300.00
Travel	\$ 521.96			\$ 46.86	\$ 475.38	\$ -	\$ 946.64	\$ 324.82	\$1,229.09				\$ 3,544.75
	\$1,421.96	\$1,300.00	\$1,100.00	\$ 946.86	\$1,275.38	\$1,200.00	\$1,846.64	\$1,024.82	\$2,029.09	\$ 700.00	\$ -	\$ -	\$ 12,844.75
DR. KRAUSS - Per diem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,400.00	\$ -	\$ -	\$ -	\$ 1,400.00
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,400.00	\$ -	\$ -	\$ -	\$ 1,400.00
DR. LEVINE - Per diem	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ 477.16		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477.16
	\$ 477.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477.16
DR. LEWIS - Per diem	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 700.00	\$1,300.00	\$1,600.00	\$1,400.00	\$1,000.00	\$1,200.00	\$1,000.00	\$ -	\$ 9,200.00
Travel	\$ -	\$ -	\$ 416.26	\$ 389.08	\$ -	\$ -	\$1,007.49	\$ -	\$ 405.03	\$ -	\$ -	\$ -	\$ 2,217.86
	\$ -	\$ -	\$ 416.26	\$ 1,389.08	\$ 700.00	\$1,300.00	\$2,607.49	\$1,400.00	\$1,405.03	\$1,200.00	\$1,000.00	\$ -	\$ 11,417.86
MR. LUI - Per diem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ 400.00
Travel	\$ -	\$ -	\$ -	\$ -	\$ 564.87	\$ -	\$ 502.50	\$ -	\$ -	\$ -	\$ 210.42	\$ -	\$ 1,277.79
	\$ -	\$ -	\$ -	\$ -	\$ 564.87	\$ -	\$ 502.50	\$ 200.00	\$ -	\$ -	\$ 410.42	\$ -	\$ 1,677.79
MS. PINES - Per diem	\$1,500.00	\$1,400.00	\$1,200.00	\$ 1,500.00	\$1,200.00	\$1,000.00	\$1,300.00	\$1,300.00	\$1,000.00	\$1,400.00	\$1,100.00	\$ -	\$ 13,900.00
Travel	\$ 771.58	\$ -	\$ -	\$ 254.32		\$ -	\$ 661.14	\$ -	\$ -	\$ -	\$ 72.93	\$ -	\$ 1,759.97
	\$2,271.58	\$1,400.00	\$1,200.00	\$ 1,754.32	\$1,200.00	\$1,000.00	\$1,961.14	\$1,300.00	\$1,000.00	\$1,400.00	\$1,172.93	\$ -	\$ 15,659.97
DR. SALOMONSON - Per diem	\$ 200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200.00
Travel	\$ 679.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 679.36
	\$ 879.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 879.36
MS.SCHIPSKE - Per diem	\$1,100.00	\$1,000.00	\$1,200.00	\$ 1,200.00	\$ -	\$ 900.00	\$ 900.00	\$ 200.00	\$ 400.00	\$ 900.00	\$ -		\$ 7,800.00
Travel	\$ 742.37	\$ -	\$ -	\$ 277.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103.32	\$ -	\$ 1,123.10
	\$1,842.37	\$1,000.00	\$1,200.00	\$ 1,477.41	\$ -	\$ 900.00	\$ 900.00	\$ 200.00	\$ 400.00	\$ 900.00	\$ 103.32	\$ -	\$ 8,923.10
MR. SERRANO SWELL- Per diem	\$ 800.00	\$ 500.00	\$ 700.00	\$ 800.00	\$ 500.00	\$ 600.00	\$ 600.00	\$ 800.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ -	\$ 7,400.00
	\$ -	\$ -	\$ -	\$ 783.34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 754.06	\$ -	\$ -	\$ 1,537.40
	\$ 800.00	\$ 500.00	\$ 700.00	\$ 1,583.34	\$ 500.00	\$ 600.00	\$ 600.00	\$ 800.00	\$ 700.00	\$1,454.06	\$ 700.00	\$ -	\$ 8,937.40
MS.WRIGHT - Per diem	\$ -	\$ -	\$ 300.00	\$ 1,200.00	\$ 900.00	\$1,000.00	\$1,400.00	\$1,300.00	\$1,100.00	\$1,800.00	\$ 800.00	\$ -	\$ 9,800.00
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 954.28	\$ -	\$ -	\$ 60.76	\$ -	\$ 1,015.04
	\$ -	\$ -	\$ 300.00	\$ 1,200.00	\$ 900.00	\$1,000.00	\$1,400.00	\$2,254.28	\$1,100.00	\$1,800.00	\$ 860.76	\$ -	\$ 10,815.04
MS. YAROSLAVSKY - Per diem	\$1,300.00	\$ 600.00	\$ 800.00	\$ -	\$ -	\$1,000.00	\$ 800.00	\$ -	\$ -	\$ 800.00	\$1,100.00	\$ -	\$ 6,400.00
Travel	\$ 764.12	\$ -	\$ -	\$ 352.58	\$ -	\$ -	\$ -	\$2,016.52	\$ 463.54	\$2,142.12	\$ -	\$ -	\$ 5,738.88
	\$2,064.12	\$ 600.00	\$ 800.00	\$ 352.58	\$ -	\$1,000.00	\$ 800.00	\$2,016.52	\$ 463.54	\$2,942.12	\$1,100.00	\$ -	\$ 12,138.88
DR. YIP - Per diem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

As of:6/27/2014

TOTAL PER DIEM	\$ 81,300.00
TOTAL PER DIEM BUDGETED	\$ 31,500.00
TOTAL TRAVEL	\$ 24,418.05
TOTAL	\$ 105,718.05

California State Board of Pharmacy

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BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

DEPARTMENT OF CONSUMER AFFAIRS

GOVERNOR EDMUND G. BROWN JR.

July 8, 2014

To: Medical Board of California

From: Virginia Herold, Executive Officer, California State Board of Pharmacy

Subject: Board of Pharmacy Update

The Board of Pharmacy has the following update to the Medical Board of California.

Prescription Drug Abuse:

The board's Prescription Drug Abuse Subcommittee met in late May. During this meeting, the subcommittee heard reports on augmentations suggested by UCSD School of Pharmacy professors to broaden the board's website links relating to prescription drug abuse.

The board has developed a brochure for pharmacists on corresponding responsibility and "red flags" that could alert pharmacists about patients seeking controlled drugs and not medical therapy. Additionally on the subject of corresponding responsibility, I recently filmed a brief introduction to a video produced by the National Association of Boards of Pharmacy and Cardinal Healthcare regarding red flags when dispensing controlled substances. This video should be available from the board's website shortly.

Two board staff participated in the contract evaluation for a new CURES computer system. The board also is now assisting the DOJ in registering pharmacists into CURES by collecting registration packets from pharmacists in the board's office, and during board and committee meetings.

The board is also partnering with the DEA to do two six-hour continuing education seminars on prescription drug abuse, drug thefts and diversion, corresponding responsibility and the CURES program. One presentation will be in Santa Barbara in September and one sometime this summer in the San Fernando Valley.

The next meeting of this subcommittee is August 26, likely in Sacramento.

General data on prescription volume in CA:

650 million prescriptions filled in CA each year

9.05 million C II prescriptions reported in CURES 4/1/2013-3/31/2014

19.04 million C III prescriptions reported in CURES 4/1/2013-3/31/2014

19.81 million C IV prescriptions reported in CURES 4/1/2013-3/31/2014

78,500 pounds of unwanted medication was collected by the California DEA offices during the April 2014 Drug Take Back event.

Patient-Centered Prescription Container Label Requirements:

The board's requirements for patient-centered prescription container labels took effect in January 2011. These requirements, developed under statutory mandate, resulted in 50 percent of a prescription container label being dedicated to the five elements most important to patient understanding of how to take their medications – patient name, drug name and strength, directions for use, and purpose (if it appears on the prescription document). The board reviewed the requirements in 2013, and based upon widespread consumer request and pharmacy readiness to meet requirements for 12 point font labeling of the five elements, recently adopted amendments to require 12 point font as the minimum font size. The 45-day initial comment period for the regulation is now underway.

On July 31 as the second day of the quarterly Board of Pharmacy Meeting, the board will convene a forum on prescription label design for patient information. Experts in the field will provide information on current thinking of the optimal design of prescription container labels for maximum patient ease and comprehension.

Development of Joint Protocols by Our Two Boards for California Pharmacists

Last year, SB 493 (Hernandez, Chapter 469) made a number of changes in pharmacy law. Among them are requirements that our two boards jointly develop state protocols for 1. Self-administered hormonal contraception and 2. Use of nicotine replacement products.

Work on these two protocols has not yet begun. We hope to begin work on these protocols with designated and interested parties later this summer. Medical board staff will be part of the process as well.

Sterile Compounding Pharmacies

On July 1, 2014, the board implemented SB 294 (Emmerson, Chapter 565, Statutes of 2013) that requires any pharmacy that compounds sterile drug preparations for administration to patients in California to be specially licensed with the Board of Pharmacy and subject to annual, unannounced inspections, even if the pharmacy is located out of state. The board has inspected all California hospitals to identify and license sterile compounding areas. Meanwhile, the board is continuing to work on a major revision to California's regulations for compounded medication.

Thank you for this opportunity to continue our collaboration between our two boards.

CALIFORNIA

THE RX OPIOID OVERDOSE EPIDEMIC



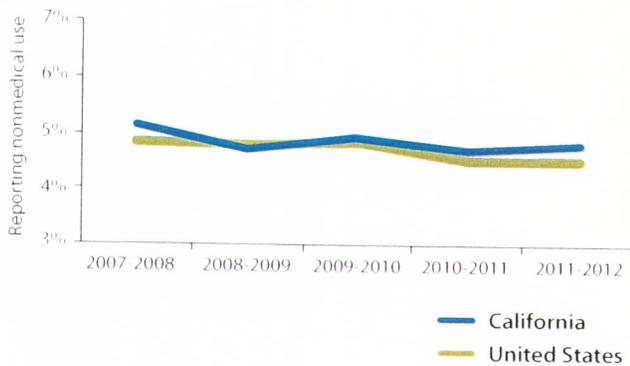
California has the **40th highest drug overdose death rate** in the U.S.

Drug Overdose Deaths (All Drugs)
per 100,000 People, 2011¹

California: 10.7	United States: 13.2
Alaska: 14.2	Nevada: 22.8
Arizona: 16.8	Oregon: 13.5
Hawaii: 12.4	Washington: 14.1
Idaho: 12.9	

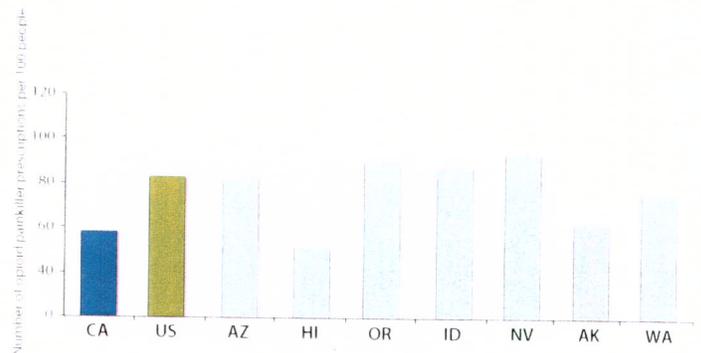
California has the **20th highest rate of past year nonmedical prescription opioid pain reliever use** in the U.S.

Past Year Nonmedical Use of Prescription Opioid Pain Relievers Among Persons Aged 12 or Older³



California has the **2nd lowest opioid pain reliever prescribing rate** in the U.S.

Opioid Pain Reliever Prescribing, 2012²



Sources: (1) CDC, National Vital Statistics System, 2011. (2) IMS Health, 2012. (3) Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health 2006-2012.



U.S. Department of
Health and Human Services
Centers for Disease
Control and Prevention