

**MEDICAL BOARD STAFF REPORT**

*AGENDA ITEM 22*

DATE REPORT ISSUED: January 14, 2008  
DEPARTMENT: Licensing Program  
SUBJECT: Proposed Regulations – Fee Reduction  
STAFF CONTACT: Kevin A Schunke

REQUESTED ACTION:

Approve a request to set a regulatory hearing to reduce the initial and renewal licensing fees to offset the decrease in its spending authority as a result of the elimination of the Diversion Program. This hearing would be set for April, 2008.

STAFF RECOMMENDATION:

To reduce the initial and renewal licensing fees through the regulatory process in an amount commensurate with the decrease in spending authority due to the discontinuation of the Board's Diversion Program.

EXECUTIVE SUMMARY:

Section 2435.2 of the Business and Professions Code states that the Board shall reduce license and renewal fees if the Diversion Program is eliminated.

In FY 2008-09, the expenditures of the Diversion Program were forecast to be \$1,213,000.

Annually, there are about 53,500 license renewals and 2000 new licenses issued. (Actually, the number of new licenses issued each year is about double that number. However, the vast majority of those new licenses are issued to residents in training and subject to a reduced fee; thus, the figure of 2000 is used.) This totals 55,500 annual licenses.

The Board has voted to discontinue the Diversion Program. Therefore, pursuant to the requirements of Section 2435.2 of the Business and Professions Code:

$$\$1,213,000 / 55,500 = \$21.86 \text{ reduction in the fee for each initial license and renewal}$$

Section 1351.5 of the Board's governing regulations set the initial license fee at \$805, and Section 1352 sets the biennial renewal fee at \$805.

Both of those fees should be reduced to \$783.00.

FISCAL CONSIDERATIONS:

None. This is a cost-neutral proposal.

PREVIOUS MBC AND/OR COMMITTEE ACTION:

The Board last adjusted the licensing fees in 2006 to offset the loss of investigative cost recovery income.

Consumer Information Unit Activity FY 07/08	Number of Calls Answered	Number of Callers Connected to an Operator Immediately	Percent of Callers Who Experienced a Two Minute or Less Wait Time
1st Quarter	17,269	9,686	56%
2nd Quarter	17,662	9,144	52%
3rd Quarter			
4th Quarter			
TOTAL	34,931	18,830	NA

LICENSED MIDWIFE ACTIVITY 2007/2008			
Licenses Issued	Applications Received	Applications Pending	Applications Denied
7	9	3	0

Licenses Current/Renewed (as of November 30, 2007)	Licenses Delinquent (as of November 30, 2007)	Licenses Canceled (as of November 30, 2007)
172	23	15