BOARD of CHIROPRACTIC EXAMINERS
STATE OF CALIFORNIA

State of California
Edmund G. Brown Jr., Governor

**Agenda Item 6**
**October 24, 2017**

**Executive Officer's Report**

## Purpose of the item

The Executive Officer will provide the Board Members an update on statistics related to Board Administration, Budget, Licensing and Enforcement. Board Members will have the opportunity to ask questions as necessary.

## Action(s) requested

No action requested at this time.

## Background

A. Administration

- Linda Shaw, Assistant Executive Officer and Genie Mitsuhara, Staff Services Analyst have retired. We will begin the recruitment process in November 2017, for the Assistant Executive Officer and Staff Services Analyst position in the licensing and Continuing Education unit.

B. Budget

- The Executive Officer will provide an overview of the attached Board fund condition for fiscal years 2016-2019.
- The Executive Officer will also provide an overview of the attached Board projected expenditures for Fiscal years 2016-2021.

C. Licensing

- The Executive Officer will provide an overview the attached licensing Strategic information.

D. Enforcement

- The Executive Officer will provide an overview the attached Enforcement Strategic information.

D. IT Updates – Process Mapping

- SOLID has completed 73 mapping processes of the Board's current work load to assess the Board's IT needs.

F. SB 547 (Hill) – Profession and vocations: weights and measures

- The SB 547 (Hill) establishes a temporary chiropractic license renewal fee increase of $50, which will ensure the Board of Chiropractic Examiners (Board) fund remains solvent through January 1, 2019. The bill was approved by the Governor on October 2, 2017, and filed with Secretary of State on October 02, 2017. The temporary license renewal fee increase will become effective on January 1, 2018 through December 31, 2018.

  This bill will provide the Board with time to complete a comprehensive fee audit. The audit has been completed. We will discuss the audit findings during the next agenda time.

**Recommendation(s)**
N/A

**Next Step**
N/A

**Attachment(s)**
- Org Chart/ Staff Functions
- Updated Fund Condition
- Licensing Statistics
- Enforcement Statistics

Department of Consumer Affairs
# State Board of Chiropractic Examiners
October 1, 2017

**BOARD MEMBERS (7)**

**FY: 2017-18**
**Authorized Positions: 19**
**CURRENT**

Robert Puleo
**Executive Officer**
620-110-8862-001

**SSMII**
Vacant
**Assistant Executive Officer**
620-110-4801-001

**SSM I**
Beckie Rust
**Compliance Manager**
620-110-4800-006

**SSM I**
Dixie Van Allen
**Admin/Licensing/CE Manager**
620-110-4800-008

**Admin/Licensing**
Valerie James
**Management Services Technician**
620-110-5278-001

**ENFORCEMENT**

**Compliance Unit**

Lavella Matthews
**Assoc. Gov. Program Analyst**
620-110-5393-002

Christina Bell
**Assoc. Gov. Program Analyst**
620-110-5393-005

Andreia Mendes
**Staff Services Analyst**
620-110-5157-009

Marlene Valencia
**Assoc. Gov. Program Analyst**
620-110-5393-800

Nikkia Capizzano
**Staff Services Analyst**
620-110-5157-004

**FIELD OPERATIONS**

**Field Operations North**

Maria Martinez
**Special Investigator**
620-110-8612-001

Denise Robertson
**Special Investigator**
620-110-8612-002

**Field Operations South**

Yanti Soliman
**Special Investigator**
620-110-8612-003

**ADMIN/LICENSING**

**Policy/Admin**

Marcus McCarther
**Assoc. Gov. Program Analyst**
620-110-5393-003

Joanne Mikami
**Assoc. Gov. Program Analyst/RA**
620-110-5393-907

**Admin/Licensing**

Brianna Lauziere
**Staff Services Analyst**
620-110-5157-008

Tammi Pitto
**Staff Services Analyst**
620-110-5157-007

Estralita Jennings
**Office Technician (T)**
620-110-4687-001

Alyssa Vasquez
**Office Technician (T)**
620-110-1139-009

**Licensing/Continuing Education**

Genie Mitsuhara
**Staff Services Analyst**
620-110-5157 -005

Executive Officer _____

Personnel Office _____

All positions are designated CORI except the Ret. Annuitant

Rev. 10/9/17

# Board of Chiropractic Examiners Staff Functions

**Executive Officer (620-110-8862-001) –** Oversees management of the Board of Chiropractic Examiners. Directs negotiations for stipulated agreements, monitors deadlines and procedures for compliance with the Administrative Procedures Act. Directs the organization and coordination of committee, executive and task force meetings and compilation of data for Board meetings, ensures compliance with the Open Meetings Act, coordinates closed sessions and hearings, attends all Board meetings. Identifies the need for legislation and recommends modifications to existing statutes or regulations to the Board. Oversees all aspects of the legislative and rulemaking processes. Testifies before legislative committees on behalf of the Board, advocates consumer protection and lobbies on behalf of consumers and the Board, interprets and clarifies the Board's Initiative Act, regulations, and policies. Represents the Board before professional and health associations or other state, federal, local, or community groups/entities.

**Assistant Executive Officer (620-110-4801-001) -** Oversees all administrative duties of the Administration, Enforcement, Licensing/Continuing Education, and Field Investigation divisions, directly supervises managers and field staff, assists the EO with special projects, attends Board and Committee meetings, acts as the Board's liaison to DCA, attends all informal office conferences and writes resulting decisions. Oversees management of the Board in the EO's absence and backs up managers in their absence, represents the Board before professional and health associations or other state, federal, local or community groups/entities in the absence of the EO. Develops, reviews and implements policies and operating procedures, directs the development and implementation of regulations adopted by the Board. Advises EO of critical issues which may result in litigation or require legislation, regulations or policy adjustment, oversees the planning and ensures timely preparation and mailing of all Board and Committee materials, directs the preparation of recurring special reports, monitors the Board's revenue and expenditures.

**Compliance Manager (620-110-4800-006) –** Manages and supervises compliance and probation programs/staff, performs case reviews and reviews case closure recommendations, participates in probationer interviews, attends informal citation conferences, reviews administrative citations and fines, monitors monthly caseload statistics, monitors success of Expert Consultant program, reviews AG billing statements for accuracy.

**Compliance Analyst (620-110-5393-002) -** Reviews and investigates complex complaints, drafts recommendations for complaints including referral of complaints to the AG's office, prepares packets for Petitioner hearings, evaluates administrative cases, and proposed decisions, stipulations and default decisions for adherence to the Admin. Procedures Act and Disciplinary Guidelines, develops settlement and probationary terms for the Executive Officer's approval.

**Probation Monitor (620-110-5393-005) –** Monitors probationers for compliance with conditions and terms of probation, sends letters to probationers who are out of compliance with their terms of probation, coordinates site inspection or suspension visits with field staff, schedules probation interviews, refers cases to Board experts, consults with the AG's office and makes recommendations to management on cases ready for petition to revoke or accusation referral due to non-compliance issues, tracks cases waiting to be heard at Office of Administrative Hearings, recommends settlement or probationary terms for management approval, prepares stay of decision, reviews and investigates complex complaints, drafts recommendations for complaints including referral of complaints to the AG's office. Serves as coordinator for the Enforcement Committee.

**Compliance Analyst (620-110-5393-004) -** Reviews and investigates complex complaints, drafts recommendations for complaints including referral of complaints to the AG's office, prepares packets for Petitioner hearings, evaluates administrative cases, and proposed decisions, stipulations and default decisions for adherence to the Admin. Procedures Act and Disciplinary Guidelines, develops settlement and probationary terms for the Executive Officer's approval. Assists the Policy Analyst with preparing and compiling enforcement related rulemaking documents for the repeal, amendment or adoption of enforcement related regulations.

**Compliance Analyst (620-110-5393-800) -** Reviews and investigates complex complaints, drafts recommendations for complaints including referral of complaints to the AG's office, prepares packets for Petitioner hearings, evaluates administrative cases, and proposed decisions, stipulations and default decisions for adherence to the Admin. Procedures Act and Disciplinary Guidelines, develops settlement and probationary terms for the Executive Officer's approval.

**Compliance Analyst (620-110-5157-004) –** Assists the public with inquiries about the complaint process, performs intake and assignment of consumer complaints, requests court documents for subsequent arrest reports, requests Interim Suspension Orders or Penal Code 23 assistance, reviews and investigates routine consumer complaints, drafts recommendations for complaints including referral of complaints to the AG's office, reviews administrative cases and proposed decisions, stipulations and default decisions for adherence to the Admin. Procedures Act and Disciplinary Guidelines, tracks proposed decisions received and cases awaiting hearing at the Office of Administrative Hearings. Serves as the contact for the National Data Bank reporting.

**Licensing, CE, Administration Manager (620-110-4800-008) -** Manages and supervises licensing, continuing education, and administrative programs and staff, compiles and analyzes licensing workload statistics, assists applicants and licensees with licensing issues, reviews staff recommendations regarding licensure and continuing education applications and grants or denies approval, monitors development and administration of the California Law and Professional Practices Examination, attends Board and committee meetings, assists AEO and EO with preparation of special reports or projects.

**Policy Analyst (620-110-5393-003) –** Prepares and compiles rulemaking documents for the repeal, amendment or adoption of regulations. Identifies, tracks and analyzes legislative bills impacting the Board, acts as Personnel Liaison for Board staff, acts as training coordinator for Board staff, assists management with research and special projects, works with Licensing manager in monitoring and analyzing the Board's budget and preparation of reports for DCA's budget office. Acts as coordinator for the Government Affairs committee. Attends Board and committee meetings.

**Retired Annuitant Policy Analyst (620-110-5393-907) –** Prepares and compiles rulemaking documents for the repeal, amendment or adoption of regulations.

**Administrative Assistant (620-110-5278-001) –** Performs administrative tasks for the EO (responds to information requests, emails and telephone inquiries), compiles program statistical reports for EO's report at Board meetings, performs special projects assigned by EO, prioritizes EO's workload and maintains EO's calendar, coordinates EO's travel arrangements and processes travel claims. Prepares Board meeting packets, Board meeting minutes, and operates webcasting equipment at Board and Committee meetings, identifies action items and prepares a prioritized list to the EO and

management, recommends agenda items for future board meetings. Coordinates travel arrangements and travel claims for Board members, establishes contracts for meeting accommodations, provides back-up support to Licensing technicians, responds to subpoenas and public records requests, performs fleet management responsibilities, assist with preparation of contracts and interagency agreements for equipment maintenance work.

**Licensing Analyst (620-110-5157-008) –** Processes restoration of cancelled licenses and corporation applications, Makes determinations and recommendations regarding licensure and denial of applicants. Refers cases to the AG's office for a Statement of Issues for applicants whose licensure was denied and decisions were appealed, prepares mail vote ballots to Board members, distributes decision to all parties once adopted by the Board. Serves as Board liaison for Form 700 filings with the Fair and Political Practices Commission, acts as the webmaster for the Board's website, maintains Board's social media sites, and serves as coordinator for the Licensing & Continuing Education Committee meetings.

**Licensing Analyst (620-110-5157-007) –** Processes reciprocal and initial applications for a Chiropractic License including all supplemental documents relating to background, education and discipline, prepares deficiency and eligibility letters to applicants. Responds to telephone and written inquiries regarding application status, licensing requirements or processes. Makes determinations and recommendations regarding licensure or denial of applicants. Prepares statistical reports to management, refers cases to the AG's office for a Statement of Issues for applicants whose licensure was denied and decisions were appealed, researches and responds to questions by the assigned Deputy Attorney General, prepares and mails vote ballots to Board members, distributes decision to all parties once adopted by the Board. Processes applications for Chiropractic Referral Services, prepares information on newly licensed applicants for ratification at Board meetings.

**Licensing Technician (620-110-1139-008) –** Processes Satellite Office certificates, renewals, and license verifications. Answers telephones, maintains inventory of equipment and office supplies, compiles board meeting packets, and obtains approval for payment of bills.

**Licensing Technician (620-110-1139-009) –** Cashiers all monies received by the Board, requests refunds for overpayments, sends underpayment notices to licensees, performs Continuing Education audits, audits renewal statements for practicing with an expired license, processes address changes, front counter support, answers telephones, greets visitors, receives and distributes mail.

**CE/Licensing Analyst (620-110-5157-005) –** Reviews and processes continuing education provider applications and continuing education course applications and submittal to manager for approval, maintains database of CE providers and courses, prepares information on CE providers for ratification at Board meetings, prepares approval letters for CE providers and CE courses, processes inactive to active license requests, updates CAS with information from death certificates, name and address changes, processes applications for restoration of forfeiture licenses, approves licensees for the preceptor program, prepares monthly statistical reports for the licensing manager.

# 0152 - Board of Chiropractic Examiners
# Analysis of Fund Condition

(Dollars in Thousands)

Updated
10/6/2017

| 2017-18 Budget Act | ACTUAL 2016-17 | CY 2017-18 | BY 2018-19 |
|---|---|---|---|
| **BEGINNING BALANCE** | $ 2,279 | $ 2,023 | $ 1,421 |
| Prior Year Adjustment | $ 235 | $ - | $ - |
| Adjusted Beginning Balance | $ 2,514 | $ 2,023 | $ 1,421 |
| **REVENUES AND TRANSFERS** | | | |
| Revenues: | | | |
| 4129200 Other regulatory fees | $ 28 | $ 12 | $ 12 |
| 4129400 Other regulatory licenses and permits | $ 166 | $ 165 | $ 162 |
| 4127400 Renewal fees | $ 3,231 | $ 3,506 | $ 3,479 |
| 4121200 Delinquent fees | $ 35 | $ 33 | $ 38 |
| 4143500 Income from surplus money investments | $ 18 | $ 9 | $ 9 |
| 4172500 Miscellaneous revenues | $ 1 | $ 1 | $ 1 |
| Totals, Revenues | $ 3,479 | $ 3,726 | $ 3,701 |
| Transfers from Other Funds | | | |
| Totals, Revenues and Transfers | $ 3,479 | $ 3,726 | $ 3,701 |
| Totals, Resources | $ 5,993 | $ 5,749 | $ 5,122 |
| **EXPENDITURES** | | | |
| Disbursements: | | | |
| 1111 Program Expenditures (State Operations) | $ 3,780 | $ 4,082 | $ 4,164 |
| 8880 Financial Information System for CA (State Operations) | $ 5 | $ 6 | $ 6 |
| 9900 Statewide General Administrative Expenditures (Pro Rata) | $ 185 | $ 240 | $ 262 |
| Total Disbursements | $ 3,970 | $ 4,328 | $ 4,332 |
| **FUND BALANCE** | | | |
| Reserve for economic uncertainties | $ 2,023 | $ 1,421 | $ 790 |
| **Months in Reserve** | 5.6 | 3.9 | 2.1 |

NOTES:

A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED IN BY+1 AND ON-GOING.
B. ASSUMES APPROPRIATION GROWTH OF 2% PER YEAR BEGINNING IN BY+1.
C. ASSUMES INTEREST RATE AT 0.3%.

## 0152 - Board of Chiropractic Examiners
## Analysis of Fund Condition

(Dollars in Thousands)

Updated
10/6/2017

| 2017-18 Budget Act | ACTUAL 2016-17 | CY 2017-18 | BY 2018-19 | BY +1 2019-20 | BY +2 2020-21 | BY +3 2020-21 |
|---|---|---|---|---|---|---|
| **BEGINNING BALANCE** | $ 2,279 | $ 2,023 | $ 1,421 | $ 790 | $ 71 | $ -739 |
| Prior Year Adjustment | $ 235 | $ - | $ - | $ - | $ - | $ - |
| Adjusted Beginning Balance | $ 2,514 | $ 2,023 | $ 1,421 | $ 790 | $ 71 | $ -739 |
| **REVENUES AND TRANSFERS** | | | | | | |
| Revenues: | | | | | | |
| 4129200 Other regulatory fees | $ 28 | $ 12 | $ 12 | $ 12 | $ 12 | $ 12 |
| 4129400 Other regulatory licenses and permits | $ 166 | $ 165 | $ 162 | $ 162 | $ 162 | $ 162 |
| 4127400 Renewal fees | $ 3,231 | $ 3,506 | $ 3,479 | $ 3,479 | $ 3,479 | $ 3,479 |
| 4121200 Delinquent fees | $ 35 | $ 33 | $ 38 | $ 38 | $ 38 | $ 38 |
| 4143500 Income from surplus money investments | $ 18 | $ 9 | $ 9 | $ 9 | $ 9 | $ 9 |
| 4172500 Miscellaneous revenues | $ 1 | $ 1 | $ 1 | $ 1 | $ 1 | $ 1 |
| Totals, Revenues | $ 3,479 | $ 3,726 | $ 3,701 | $ 3,701 | $ 3,701 | $ 3,701 |
| Totals, Revenues and Transfers | $ 3,479 | $ 3,726 | $ 3,701 | $ 3,701 | $ 3,701 | $ 3,701 |
| Totals, Resources | $ 5,993 | $ 5,749 | $ 5,122 | $ 4,491 | $ 3,772 | $ 2,962 |
| **EXPENDITURES** | | | | | | |
| Disbursements: | | | | | | |
| 1111 Program Expenditures (State Operations) | $ 3,780 | $ 4,082 | $ 4,164 | $ 4,247 | $ 4,332 | $ 4,418 |
| 8880 Financial Information System for CA (State Operations) | $ 5 | $ 6 | $ 6 | $ 6 | $ 6 | $ 6 |
| 9900 Statewide General Administrative Expenditures (Pro Rata) | $ 185 | $ 240 | $ 262 | $ 267 | $ 273 | $ 278 |
| Total Disbursements | $ 3,970 | $ 4,328 | $ 4,332 | $ 4,420 | $ 4,511 | $ 4,603 |
| **FUND BALANCE** | | | | | | |
| Reserve for economic uncertainties | $ 2,023 | $ 1,421 | $ 790 | $ 71 | $ -739 | $ -1,641 |
| **Months in Reserve** | 5.6 | 3.9 | 2.1 | 0.2 | -1.9 | -4.2 |

NOTES:

A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED IN BY+1 AND ON-GOING.
B. ASSUMES APPROPRIATION GROWTH OF 2% PER YEAR BEGINNING IN BY+1.
C. ASSUMES INTEREST RATE AT 0.3%.

# BOARD OF CHIROPRACTIC EXAMINERS
# LICENSING TRENDS
# FY 2017-18

### Total Population of Chiropractic Licenses

| Month | Total Licenses |
|---|---|
| July | 13,183 |
| August | 13,173 |
| September | 13,156 |

### New Chiropractic License Issued

| Month | Received | Issued |
|---|---|---|
| July | 29 | 27 |
| August | 26 | 27 |
| September | 12 | 25 |

### Number of Restored Cancelled Licenses

| Month | Received | Issued |
|---|---|---|
| July | 1 | 2 |
| August | 3 | 3 |
| September | 3 | 2 |

### New Satellite Office Certificates Issued

| Month | Received | Issued |
|---|---|---|
| July | 94 | 102 |
| August | 117 | 78 |
| September | 115 | 160 |

### Corporation Registrations Issued

| Month | Received | Issued |
|---|---|---|
| July | 5 | 4 |
| August | 12 | 13 |
| September | 6 | 7 |

### Licensing Population as of September 30, 2017

| License Type | Clear Licenses |
|---|---|
| Chiropractors | 13,156 |
| Satellite Offices | 4,111 |
| Corporation Registrations | 1,420 |

### Applications Received and Processed – July 1, 2017 through September 30, 2017

| Application Type | Received | Issued | Denied | Pending |
|---|---|---|---|---|
| Initial Chiropractic | 67 | 79 | 0 | 101 |
| Reciprocal | 2 | 0 | 0 | 7 |
| Restorations (Cancelled & Forfeiture) | 33 | 31 | 2 | 8 |
| Corporation | 23 | 24 | 0 | 10 |

# COMPLIANCE UNIT STATS

| Fiscal Year | 13/14 | 14/15 | 15/16 | 16/17 | *17/18 |
|---|---|---|---|---|---|
| **COMPLAINTS** | | | | | |
| Received | 487 | 557 | 581 | 490 | 89 |
| Pending | 214 | 270 | 232 | 183 | 212 |
| | | | | | |
| Closed with Insufficient Evidence | 88 | 57 | 127 | 79 | 20 |
| Closed with No Violation | 140 | 100 | 97 | 75 | 19 |
| Closed with Merit | 148 | 220 | 235 | 184 | 42 |
| Letter of Admonishment | 5 | 3 | 4 | 4 | 2 |
| Citations and Fines Issued (Total Fine Amount) | 26($18,500) | 16($12,400) | 17($11,600) | 26($36,900) | 4($5,200) |
| | | | | | |
| **ACCUSATIONS** | | | | | |
| Filed | 38 | 22 | 31 | 35 | 4 |
| Pending | 56 | 64 | 66 | 65 | 46 |
| | | | | | |
| Revoked | 12 | 9 | 3 | 10 | 4 |
| Revocation Stayed: Probation | 15 | 7 | 13 | 11 | 3 |
| Revocation Stayed: Suspension and Probation | 4 | 2 | 4 | 5 | 0 |
| Suspension | 0 | 0 | 0 | 0 | 0 |
| Suspension Stayed: Probation | 0 | 0 | 0 | 0 | 0 |
| Suspension and Probation | 0 | 0 | 0 | 0 | 0 |
| Voluntary Surrender of License | 8 | 8 | 9 | 14 | 3 |
| Dismissed/Withdrawn | 3 | 3 | 2 | 6 | 0 |
| | | | | | |
| **STATEMENT OF ISSUES** | | | | | |
| Filed | 5 | 2 | 0 | 1 | 1 |
| Denied | 2 | 1 | 0 | 0 | 0 |
| Probationary License | 1 | 2 | 1 | 0 | 0 |
| Withdrawn | 2 | 1 | 0 | 0 | 0 |
| Granted | 0 | 1 | 0 | 0 | 0 |
| | | | | | |
| **PETITION FOR RECONSIDERATION** | | | | | |
| Filed | 3 | 0 | 1 | 0 | 0 |
| Granted | 0 | 0 | 0 | 0 | 0 |
| Denied | 2 | 0 | 1 | | |
| | | | | | |
| **PETITION FOR REINSTATEMENT OF LICENSE** | | | | | |
| Filed | 5 | 8 | 7 | 6 | 1 |
| Granted | 1 | 1 | 0 | 0 | 0 |
| Denied | 3 | 4 | 7 | 3 | 0 |
| | | | | | |
| **PETITION FOR EARLY TERMINATION OF PROBATION** | | | | | |
| Filed | 11 | 4 | 8 | 3 | 1 |
| Granted | 0 | 0 | 1 | 0 | 0 |
| Denied | 3 | 5 | 2 | 2 | 2 |
| | | | | | |
| **PETITION FOR MODIFICATION OF PROBATION** | | | | | |
| Filed | 3 | 2 | 3 | 0 | 1 |
| Granted | 0 | 1 | 1 | 0 | 1 |
| Denied | 1 | 1 | 0 | 0 | 0 |
| | | | | | |
| **PETITION BY BOARD TO REVOKE PROBATION** | | | | | |
| File | 11 | 5 | 8 | 5 | 2 |
| Revoked | 5 | 2 | 3 | 10 | 4 |
| | | | | | |
| **PROBATION CASES** | | | | | |
| Active | 135 | 123 | 104 | 92 | 90 |

**FY 17/18: July 1, 2017 – September 30, 2017*

*Revised October 6, 2017*

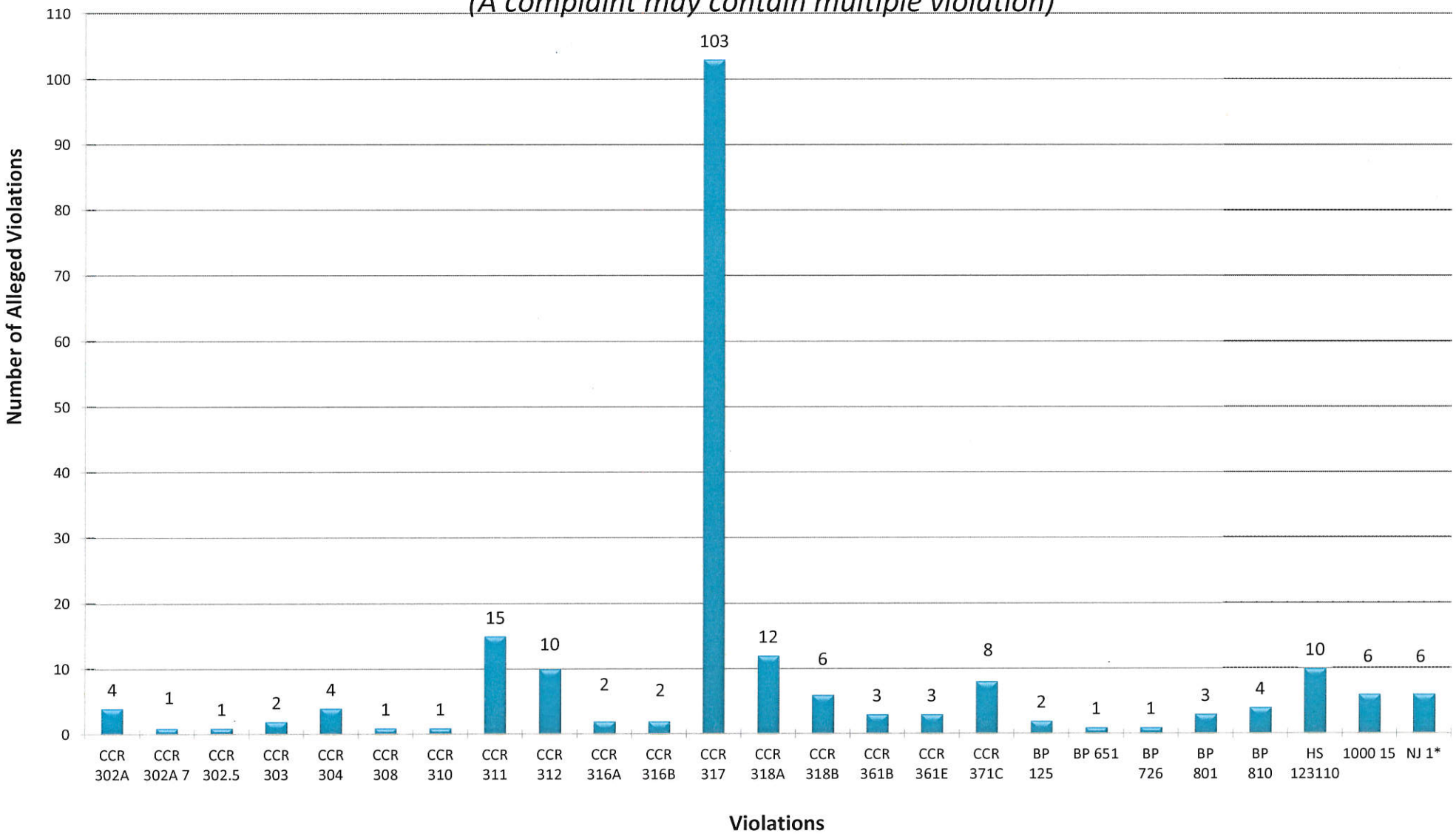
Fiscal Year 2017/2018

July 1, 2017 - September 30, 2017

**Total Number of Complaints Opened - 89**

**Total Number of Alleged Violations - 211**

*(A complaint may contain multiple violation)*



# Violation Codes/Descriptions

## The Chiropractic Initiative Act of California (ACT):

10 – Rules of Professional Conduct
15 – Noncompliance With and Violations of Act

## California Code of Regulations (CCR):

302(a) – Scope of Practice
302.5 – Use of Laser
303 – Filing of Addresses
304 – Discipline by Another State
308 – Display of License
311 – Advertisements
312 – Illegal Practice
315 – Mental Illness
316 (a) – Responsibility for Conduct on Premises
316 (b) – Sexual Misconduct on Premises
316 (c) -- Sexual Misconduct/Relations
317 – Unprofessional Conduct
318 – Chiropractic Patient Records/Accountable Billing
319 – Free or Discount Services
319.1 – Informed Consent
361(b) – 24 Hour CE Requirement
366 – Continuing Education Audits
367.5 – Application, Review of Refusal to Approve (corporations)
367.7 – Name of Corporation
371(c) – Renewal and Restoration

## Business and Professions Code (BP):

125 – Aiding/Abet Unlicensed Activity
801 (a) – Professional Reporting Requirements (Ins-malpractice settlements)
802 (a) – Professional Reporting Requirements (Lic-malpractice settlements)
810 – Insurance Fraud
1051 – Apply for a Corporation with the Board
1054 – Name of Chiropractic Corporation
17500 – Unlawful Advertising

## Health and Safety Code (HS):

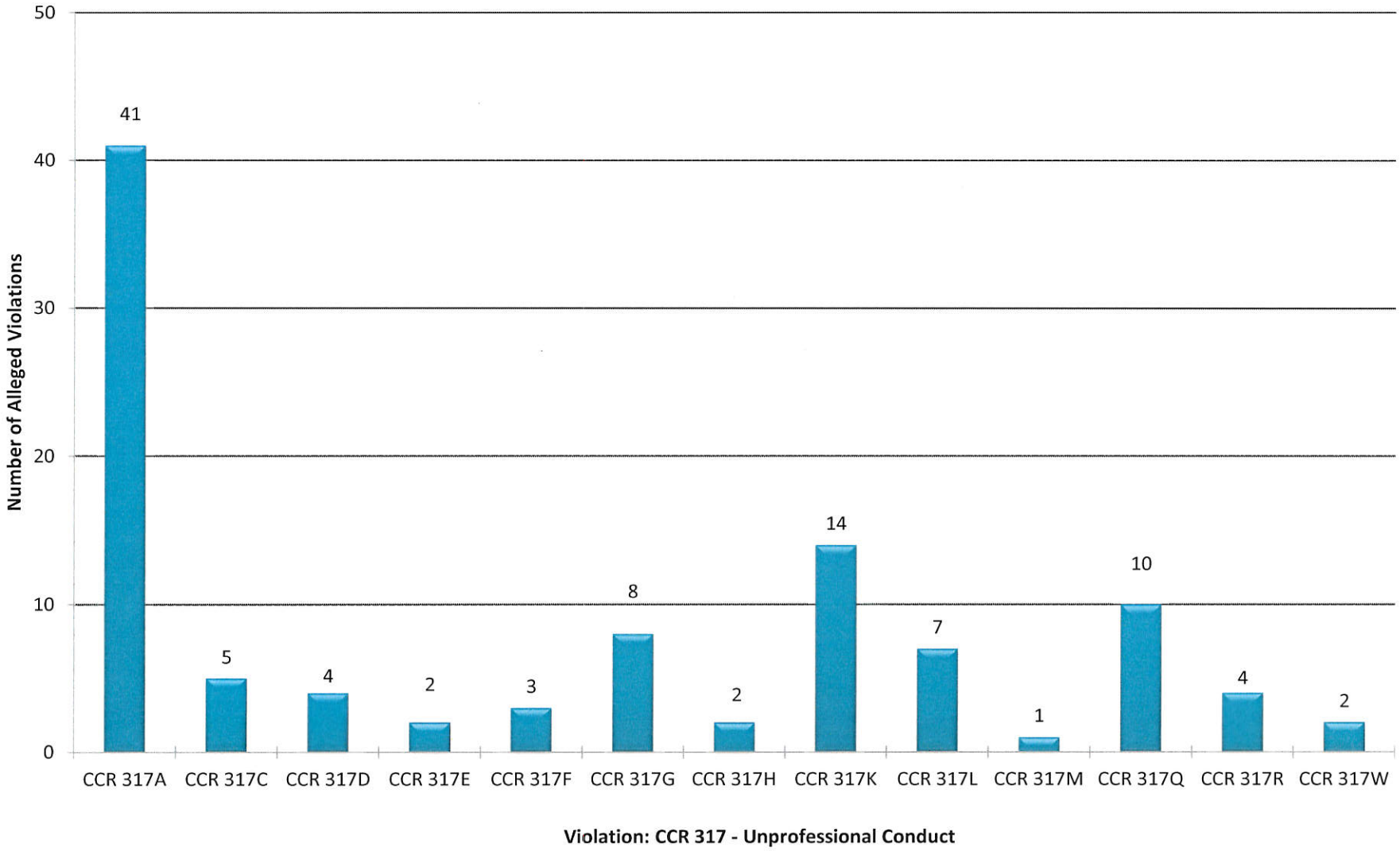
123110 – Patient Access to Health Records

Fiscal Year 2017/2018

July 1, 2017 - September 30, 2017

**Number of Complaints Opened Alleging Violation of CCR 317= 103**

*(A complaint may contain multiple violations)*

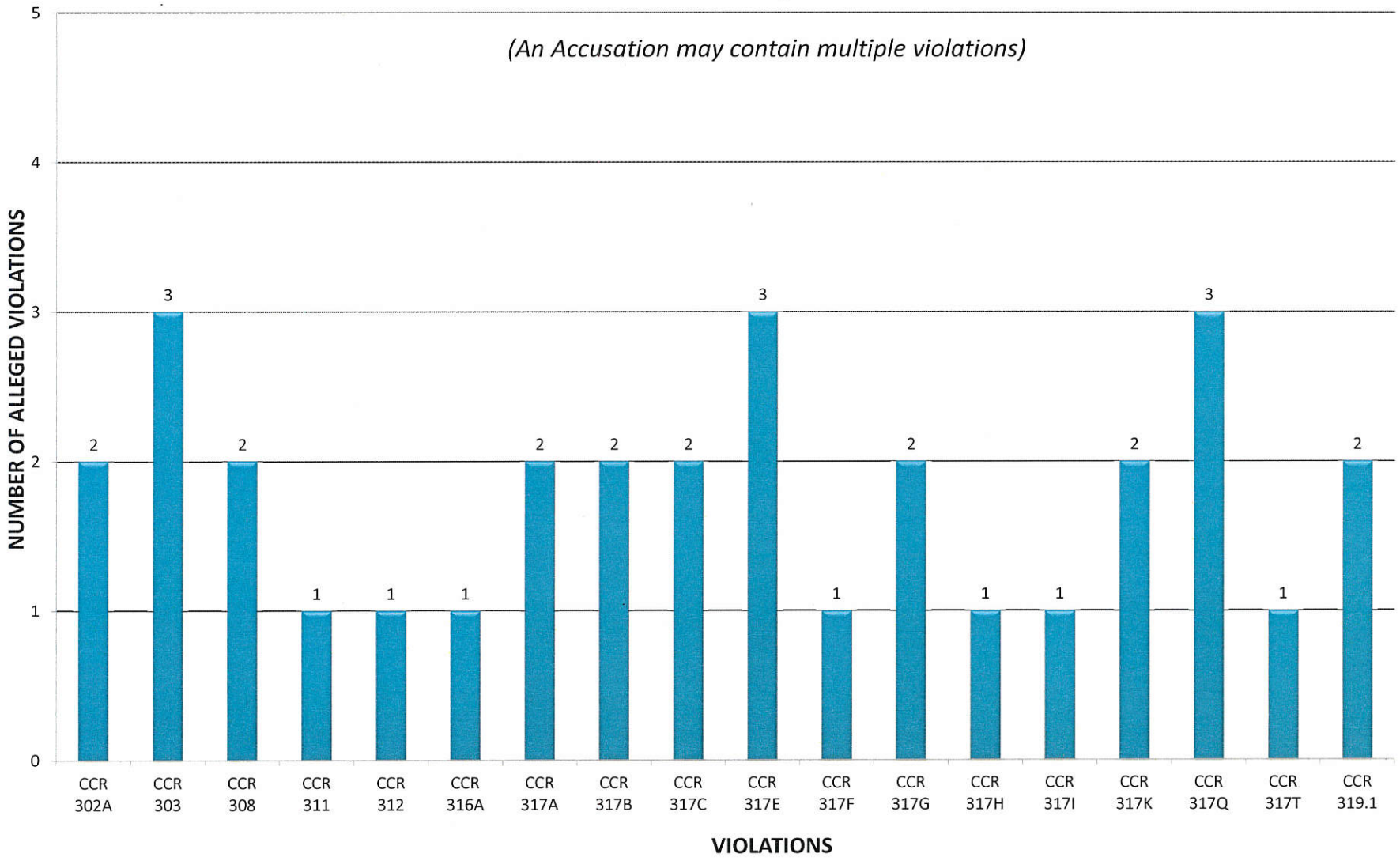


# Unprofessional Conduct/Violation Codes/Descriptions

**California Code of Regulations (CCR) Section 317 – Unprofessional Conduct:**

(a) Gross Negligence
(b) Repeated Negligent Acts
(c) Incompetence
(d) Excessive Treatment
(e) Conduct Endangering Public
(f) Administering to Oneself Drugs/Alcohol
(g) Conviction of a Crime Related to Chiropractic Duties
(h) Conviction of a Crime Involving Moral Turpitude/Physical Violence/etc.
(i) Conviction of a Crime Involving Drugs or Alcohol
(j) Dispensing Narcotics/Dangerous Drugs/etc.
(k) Moral Turpitude/Corruption/etc.
(l) False Representation
(m) Violation of the ACT/Regulations
(n) False Statement Given in Connection with an Application for Licensure
(o) Impersonating an Applicant
(p) Illegal Advertising related to Violations of Section 17500 BP
(q) Fraud/Misrepresentation
(r) Unauthorized Disclosure of Patient Records
(s) Employment/Use of Cappers or Steerers
(t) Offer/Receive Compensation for Referral
(u) Participate in an Illegal Referral Service
(v) Waiving Deductible or Co-Pay
(w) Fail to Refer Patient to Physician/Surgeon/etc.
(x) Offer or Substitution of Spinal Manipulation for Vaccination

**Fiscal Year 2017/2018**
**July 1, 2017 - September 30, 2017**
**Number of Accusations Filed - 4**
**Total Number of Alleged Violations - 32**



BOARD of CHIROPRACTIC EXAMINERS
STATE OF CALIFORNIA

State of California
Edmund G. Brown Jr., Governor

**Agenda Item 7**
**October 24, 2017**

**Review, Discussion and Possible Action Regarding Fee Audit Report**

## Purpose of the item

The Board will receive a presentation on the Fee Audit Report from Dan Edds, of Capital Accounting Partners. Additionally, the Board will have the opportunity to ask questions and direct staff to take action should it be deemed necessary.

## Action(s) requested

No action requested at this time.

## Background

The Board's current budget is structurally imbalanced. The Board's expenditures outpace the revenue received. If expenditures continue with no increase and revenue does not increase, the Board will be insolvent by FY 2018/19. The Board's depleted fund condition is due to a number of factors, including but not limited to, an increase in departmental and statewide pro-rata, increased overhead costs, unanticipated one-time expenses, and a slight decrease in revenue due to a gradual decline in the licensee population.

In order to substantiate budget concerns and determine a factual basis for any future increase in fees charged to licensees, the Board contracted with Capital Accounting Partners, LLC. They were tasked with conducting a fee audit to assess the current fees charged and determining what the fees should be based upon actual workload incurred by staff. Finally, they were asked to provide a presentation to the Board of their findings at the October 24, 2017, Board Meeting.

The Board has worked to ensure that its fiscal health is made clear to stakeholders. A fee increase was discussed before the State Legislature in February, and at Board Meetings in May and July of this year. Below you will find a brief timeline of Board actions regarding the temporary license renewal fee increase:

- February 2017, the Board was informed by the DCA Budget Office that by FY 2018/19 it would be insolvent. Additionally, at the Joint Legislative Committee

Sunset Hearing, the Board Chair informed the Committee that the Board would seek a fee increase to stabilize the Board's fund condition.

- April 2017, staff met with the Budget Office to discuss the Board's fund condition and steps necessary to increase fees.
- May 2017, staff discussed the possibility of a temporary license renewal fee increase with the Legislature.
- July 2017, a contract was executed with Capital Accounting Partners, LLC to commence a fee audit report to assess the current fees charged and determine what the fees should be, based upon actual workload incurred by staff.
- August 2017, SB 547 (Hill) was amended to include a temporary license renewal fee increase on the chiropractic profession.
- October 2, 2017, Governor Brown signed SB 547 (Hill), which included the temporary license renewal fee increase effective January 1, 2018.

**Recommendation(s)**

No recommendations at this time.

**Next Step**

N/A

**Attachment(s)**

1. Capital Accounting Partner's Fee Audit Report

# California Department of Consumer Affairs– Board of Chiropractic Examiners

## Mission

To protect the health, welfare, and safety of the public through licensure, education, and enforcement in chiropractic care.

Capital Accounting Partners, LLC

October 2017

# CONTENTS

Mission ..... 1
Introduction And Scope ..... 3
Summary of Costing Methodologies ..... 3
Driver-based Costing Models ..... 3
Summary of Findings ..... 6
Primary Data Sources ..... 6
Quality Assurance ..... 7
Assumptions Used in the Costing Model ..... 8
Expense Data – Current Budget ..... 8
Revenues – Consistent Activity Data ..... 8
Direct Vs. Indirect Allocated Costs ..... 8
Allocating Costs of Enforcement ..... 10
Allocation Methodologies ..... 11
Reserves or "Fund Balances" ..... 12
Revenue Summary ..... 14
Observations and Recommendations ..... 15
General Observations ..... 15
Specific Recommendations ..... 15
Move to Recommend Adjustment to Fee Schedule ..... 15
Set Cap and Adjust Fees Regularly ..... 15
Appendices ..... 16

# INTRODUCTION AND SCOPE

*The mission of the Board of Chiropractic Examiners is to protect the health, welfare, and safety of the public through licensure, education, and enforcement in chiropractic care.* The Vision of the Board is *Excellence in chiropractic care for all Californians. Therefore, the Board places a high priority on safeguarding consumers by making certain that only qualified and highly trained professionals practice Chiropractic. This is done thorough stringent regulatory safeguards and a proactive enforcement program.*

This fee audit aligns with the mission and vision and of the Board by assessing the full costs of issuing licenses. This analysis and the resulting adoption of a new fee schedule will insure the long-term sustainability of the Board.

This report summarizes the processes, procedures, and findings of the Board's fee audit. It details the analysis that resulted in calculations of cost for individual and institutional certificates issued by the Board for licensees operating in the State of California.

As part of a plan to maintain its fiscal integrity, the Board engaged Capital Accounting Partners to prepare a detailed cost analysis of its fees. The Board's objectives for the study were to ensure that the Board is fully accounting for all of its costs and recovering adequate revenues to be reimbursed for its expenses. The Board's only source of revenues are fees charged for each of the various licenses. Thus, it is vital that the fees charged to licensees fully recover the costs of the program.

The scope of this study included the following objectives:

- Calculate full cost of licenses;
- Determine a fair and equitable method of allocating non-fee expenses, such as enforcement, to each license type; and
- Develop revenue projections for 10 years out to set the statutory fee cap.

The process used for collecting and analyzing the data required active participation by the Board's Chair, management and staff. We want to take this opportunity to recognize their participation, time, and effort to collect the data and discuss the analysis, results, and recommendations.

# SUMMARY OF COSTING METHODOLOGIES

## DRIVER-BASED COSTING MODELS

Developing a driver-based costing model is a detailed and robust method of calculating the cost of a specific service. It is based on the principles of activity-based costing so it seeks to understand cost at an operational level. This means it relies on understanding the time staff invests in core business processes to process licenses and certificates as well as enforcement and administrative services.

**Step 1: Collect Data –** This first step involves discussions with staff to identify those positions within each work unit that provide and support direct services. It also involves collecting program budget and expenditure data, identifying the salary and benefits for each position, and identifying non-personnel expenditures, as well as any program and Board overhead. Specifically, the steps involve the following:

- **Identifying staff positions** – This includes identifying both position titles and names.
- **Calculating the number of productive hours** – Frequently we will calculate the actual number of productive hours available on an annual basis. However, in this project we used the DCA pre-calculated number of 1,776 hours.
- **Identifying and allocating non-personnel costs** – Costs for materials and supplies are allocated to the salary and benefits for each position.
- **Assigning any other expenses that are budgeted in other areas** – There are often expenses that should be included with the total cost of services. Examples of such costs might include amortized capital expenses for vehicles and technology.
- **Identifying core business processes or activities** – This step also involves discussions with staff to understand, at an operational level, the work of the operating unit. Core business processes used to provide services are identified and then defined by the tasks that are involved. Processes are also organized by direct and indirect categories.
- **Direct processes and activities** – Those processes that directly contribute to the processing of an application are first identified. Evaluation of the license application is the most notable example.
- **Indirect processes and activities** – Those processes that support, but do not directly apply to the processing of a specific license. An example of an indirect activity is customer service and cashiering.

**Step 2: Building cost structures** – This second step involves significant interaction with staff and the development of time estimates for both direct and indirect processes in each program area. Specifically, this step is at the core of the analysis. There are four processes that comprise this step:

- **Gathering time estimates for direct processes** – By interviewing staff in individual and group meetings, an estimate of time was assigned to each service by the process that is indicated. The sum of all the process steps is the total time that is required to provide that specific service.
- **Assigning indirect time** – An annual time estimate is gathered from staff for those indirect or support processes in which they are involved. These include Board as well as program administration, customer service, and subject matter experts.
- **Calculating fully loaded hourly rates and the cost of service –** Once the total time for each direct and indirect service is estimated, the cost of service is calculated by using the fully loaded hourly rates for each staff member or position that is involved with the service. The fully loaded hourly rate for each employee is based on the employee's salary and benefit costs plus a share of non-personnel and Board overhead costs divided by the employee's available work hours (i.e. 2,080 hours minus all leave hours). Thus, the direct and indirect cost by activity also includes work unit and Board overhead as well as non-labor costs.
- **Gathering activity or volume data** – A critical element in the analysis is the number of times a given license or certificate is issued on an annual basis. This is critical data for three reasons:

- It allows a calculated projection of current revenue based on current prices. This is compared with actual revenue to see if there is a close match as the data should match.
- It allows for a calculated projection of revenue at full cost. This is compared to actual expenditures to see if there is a close match as the data should match.
- It allows for a calculation of total hours consumed. Hours consumed must closely match actual hours available.

If any of the three calculations do not approximate actual numbers, then time estimates and/or volume data need to be re-evaluated. These are critical quality checks for costing accuracy.

**Step 3: Allocating enforcement and other support activities** – This third step allocates enforcement activities to arrive at the full cost of service for each direct license or certificate. Thus, the final cost layers are brought together to establish the full cost of service. For the Board, this is a significant step as a high percentage of its costs are centered in enforcement and investigation activities.

**Step 4: Set revenue recovery policy** – Depending on Board policies and other considerations, the level of revenue recovery is a decision that should be made for each type or group of licenses. For example, the Board may want to subsidize some types of licenses with revenue from others.

**Step 5: Set fees**

Fees should be based on generating revenues equal to the Board's cost structure and enough to create reserves or fund balances consistent with State or Department requirements. This will provide a strong and sustainable future.

# SUMMARY OF FINDINGS

## PRIMARY DATA SOURCES

For this project, there are three primary sources of data that have driven the analysis:

1. Budgeted expense data (fiscal 2017), which includes:
    a. Salaries and benefit expenditures;
    b. Services and supplies;
    c. Overhead, including both Department and State pro rata allocations; and
    d. External enforcement costs from the Office of the Attorney General (AG), the Office of Administrative Hearings, and evidence / witness fees.
2. Time estimates for staff to process each license type, broken down by core processes or activities. These included such activities as:
    a. Reviewing applications for completeness;
    b. Cashiering
    c. Processing complaints and
    d. Field investigations; and
    e. External Enforcement.
3. Activity data such as the annual number of licenses issued/processed by type is an important data source. The following table is an example of these data (projected for fiscal 2016).

| License Type | Licenses Issued/Processed Annually |
|---|---|
| DC Renewal License | 12,742 |
| Renewal Satellite Certification | 2,846 |
| Renewal Corporation | 1,314 |

Table 1

These data are critical to the analysis for two reasons:

- The annual number of licenses issued in a year, multiplied times the hours assigned to process each license allows us to assign only the numbers of hours available. For example, if the Licensing Unit (the unit processes licensees) has 5000 hours available then the model can only assign 5000 hours. If more hours are assigned then too much cost is being injected into the cost structure. If too few hours are assigned, then too little cost is being assigned into the cost structure.

- The annual number of licenses issued in a year allows us to project revenues. This also allows for a comparison between current revenue as well as future revenue if full cost were to be adopted.

## QUALITY ASSURANCE

Assuring the accuracy and quality of results is an important function of the analysis. Our approach builds on the concept that a quality process assures a quality outcome. Besides focusing on a quality process, we also incorporate quantitative checks of our results. These quantitative checks include:

1. Are the total costs that we have coming into the model (the budget) equal to the total costs coming out of the model (projected revenues)?
2. Are the total number of staff hours available fully accounted for in the model?
3. Does the projection of annual revenues (current) built into the cost model reasonably match actual or projected revenues by the DCA budget office?

When our results fall into reasonable ranges, we are assured of quality results. The following graphic reflects the results of our quality assurance checks.

| ***Resource Summary Quality checks*** | | |
|---|---|---|
| ***Cost Summary*** | | |
| Operating Resources Available (Budget) | $ | 3,029,314 |
| External Enforcement Costs | $ | 1,057,993 |
| **Total Expenses** | **$** | **4,087,307** |
| | $ | - |
| | | |
| **Projected Revenues at Full Cost** | **$** | **4,087,307** |
| Difference | $ | - |
| ***Hours Available Vs. Hours Assigned*** | | |
| Total Hours Available | | 35,520 |
| Total Hours Assigned | | 35,520 |
| Difference | | - |
| **Projected Model Revenue Vs. Projected Revenue (DCA)** | | |
| Revenue Projected From Fees at Current Prices | $ | 3,426,068 |
| Actual Fiscal 16-17 Revenue From Fees (including misc income, cititations, etc) | $ | 3,431,557 |
| Difference | $ | (5,489) |
| Percentage Difference (acceptable = plus or minus 5%-10%) | | -0.2% |
| | | |
| Pricing Model (excluding reserves) | $ | 4,095,930 |
| Pricing Model (including reserves) | $ | 4,552,806 |

**TABLE 2**

# Assumptions Used in the Costing Model

## Expense Data – Current Budget

In all cases, the analysis has used expense data based on fiscal year 2017-2018 budget. Therefore, the results are based on the assumption that all of the budget will be expended by the Board. From our analysis, the Board has been spending all of its allowable resources while revenues have not kept pace. This is creating a significant shortfall and imbalance which cannot be sustained in the long-term. For example, the fund balances are declining rapidly and are projected to fall into negative territory in fiscal 2018-2019.

## Revenues – Consistent Activity Data

A significant component of the analysis is dependent upon annual activity data. Specifically, the number of times each license is processed on an annual basis. This is important to the analysis for two reasons:

- Activity data drives the total consumption of staff hours. If the activity data is not correct it will either over assign staff time or under estimate staff time relative to the total time that is available.
- Projecting revenue. If the number of applications for licenses vary wildly on an annual basis, projecting revenue will be challenging. However, if the number of applications for licenses is stable, then revenues will be stable.

# Direct Vs. Indirect Allocated Costs

For this analysis, direct costs are being defined as the direct time required to process a specific application type. This is driven off a calculation of a productive hourly rate for each staff position. This rate includes salaries, benefits, and a prorated amount for services and supplies. Then indirect costs are layered on top of the direct costs to establish the full cost of issuing the license. The reader will note that the largest components of costs are those that support the programs associated with enforcement and incoming costs from Department & Statewide prorata allocations, and not the processing of licenses.

The following chart will detail the analysis for one specific license type.

| Fee Description | Time Assigned | Productive Hourly Rate | Direct Cost Assignment |
|---|---|---|---|
| **DC Renewal License** | | | |
| Initial review of application | 0.060 | $ 55.04 | $ 3.30 |
| Review application for completion | 0.333 | $ 55.04 | $ 18.35 |
| **Total Direct Cost Assigned** | | | **$ 21.65** |

| Sources of Indirect Cost | Allocated Costs |
|---|---|
| Dept/State Prorata | $ 7 |
| Board Management & Administration | $ 10 |
| Legislative & Regulatory | $ 11 |
| Process Complaints | $ 46 |
| Field Investigations | $ 27 |
| Administration of licensing unit | $ 9 |
| **Total Indirect Cost** | **$ 109** |
| | |
| Prorated Cost for Enforcement | $ 83 |
| | |
| **Total Cost Assigned** | **$ 214** |
| | |
| **Current Price** | **$ 250** |
| **Difference** | **$ (36)** |

**TABLE 3**

**Note:** data does not include additional costs required to rebuild reserves.

The summary of these data can be seen in the following graphic.

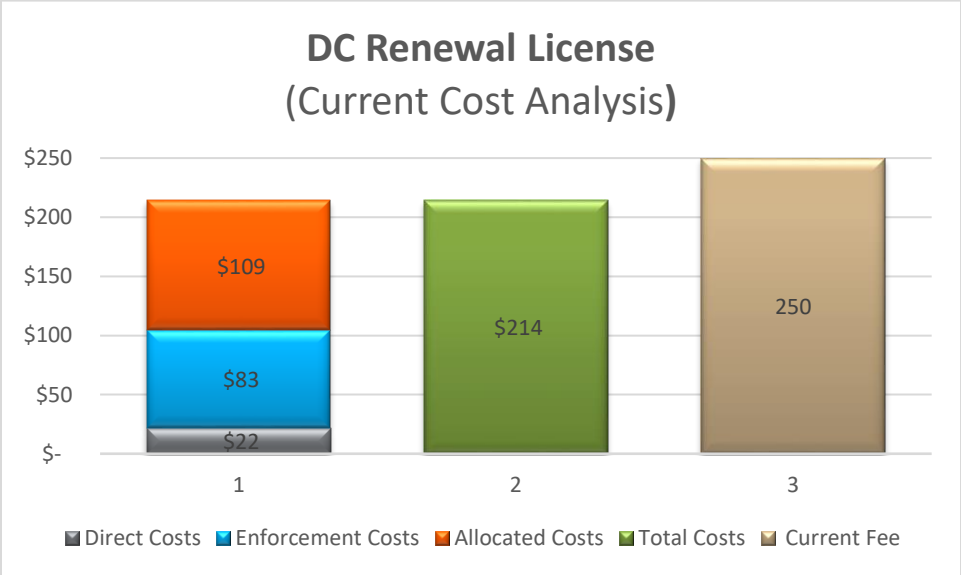



**FIGURE 1**

## ALLOCATING COSTS OF ENFORCEMENT

Enforcement costs are a significant cost of total Board expenditures. Enforcement costs come in two primary types:

1. Costs associated with internal investigations, processing complaints, and field inspections; and
2. Costs associated with the AG, Office of Administrative Hearings, and evidence / witness fees.

In total, enforcement (with all overhead and supports costs allocated), accounts for 67% of total budgeted costs as the following graph will illustrate.

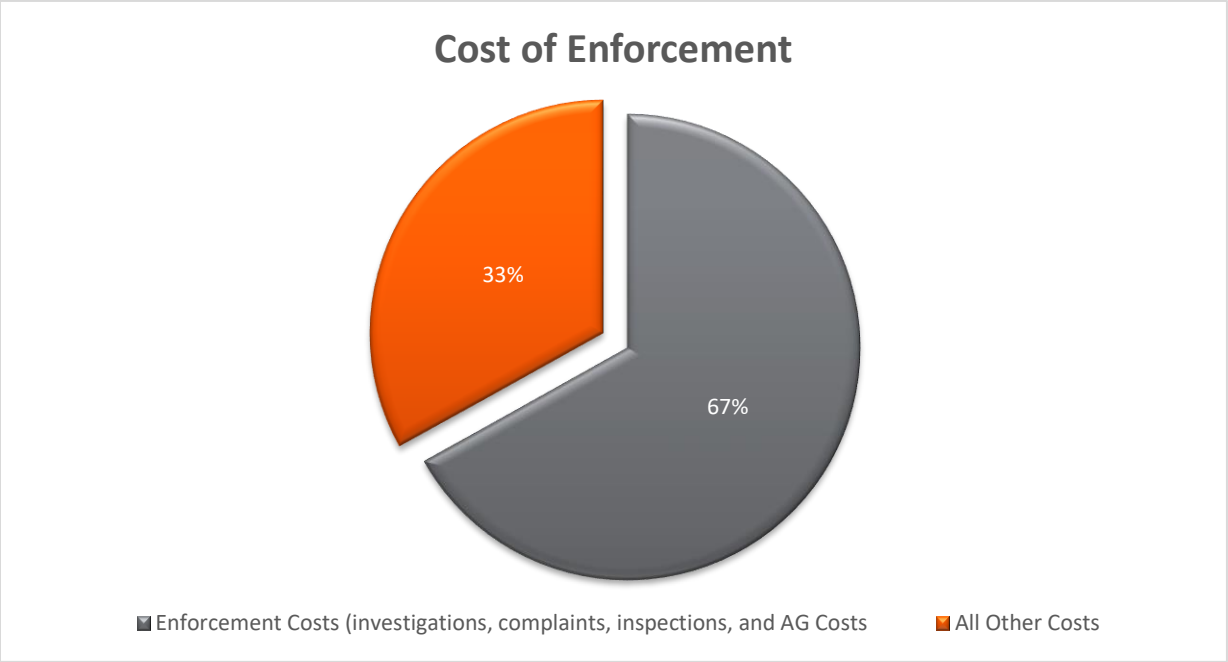



**FIGURE 2**

## ALLOCATION METHODOLOGIES

This ratio of enforcement costs to total costs is consistent among the Boards and Bureaus of DCA we have reviewed. Because enforcement activities are such a large component of total cost, the method of allocating these costs is important.

There are several potential methods of allocating these costs. Among these are:

1. Allocating enforcement costs on the basis of direct cost of each license;
2. Allocating enforcement costs on the basis of the number of complaints and investigations each licensee type creates;
3. Calculating a flat cost per license (for all licenses); and
4. Calculating a flat cost per specific license type.

For this analysis, we used a combination of #1 and #4 above. Internal enforcement costs are spread across all fees on a simple allocated basis. Each license carries a small prorated cost of internal enforcement costs. However, all external costs associated with the Office of Attorney General, Office of Administrative Hearings, etc. have been allocated to the DC Renewal License.

Figure 1 above illustrates the impact of this cost allocation on the Renewal License. It shows that of the $214, which represents the total costs, which have been assigned, $83 is attributed to external enforcement.

Figure 3 below illustrate the ration of external enforcement cost to total cost. We would add, that these costs are largely out of the control of the Board.

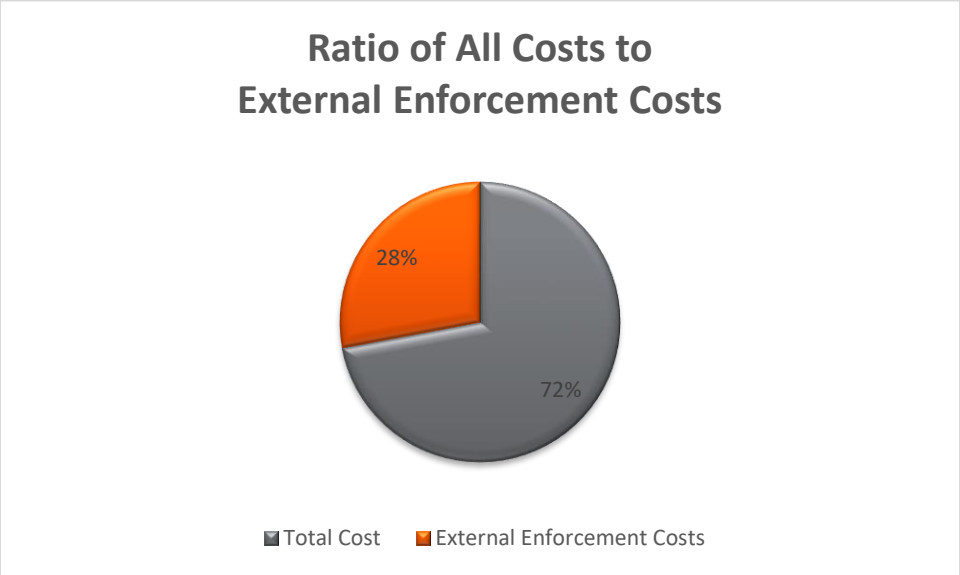



**FIGURE 3**

## RESERVES OR "FUND BALANCES"

Financial reserves are an essential part for long-term organizational sustainability. The Department Budget Office monitors these reserves, or what are called "Fund Balances". The Budget Office also translates the projected dollar amount into a "months in reserve" calculation. The following graph will illustrate the "months in reserve" analysis provided by the Budget Office.

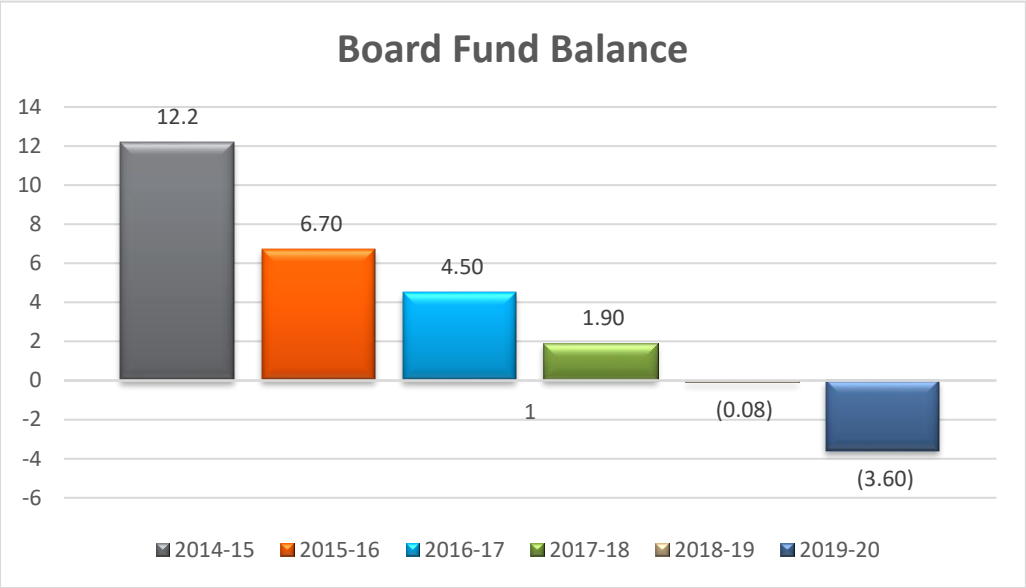



**FIGURE 4**

The reader will note, that the projected fund balance for fiscal year end, 2017-2018 is 1.9 months and will drop to -.08 months fiscal year end 2018-2019. Therefore, as part of the analysis we have established a reserve fund build up plan that will strengthen the long-term sustainability of the Board. In doing so, we have targeted rebuilding the reserves which is 6 months of operating reserves as required by statute. For this analysis, we are targeting a rebuilding of the fund balance to six months but doing so over three years. The following table illustrates:

| Months in Reserve Analysis | | |
|---|---|---|
| Target Months in Reserve | | 6.00 |
| Projected fund balance year end 17/18 | | 1.90 |
| # Of months to replace | | 4.10 |
| **Costs Required to Rebuild Reserves** | | |
| Total Annual Expenses | $ | 4,087,307 |
| Monthly Expenses | $ | 340,609 |
| # Months Target (4.1) | $ | 1,396,497 |
| Additional "cost" for 3 Year Build Up | $ | 465,499 |

**TABLE 4**

To rebuild these fund balances, we have allocated the additional revenue required across all licenses and is shown as a separate column in the appendix (fee table). However, the following figure, illustrates the additional revenue requirement for the Annual renewal license.

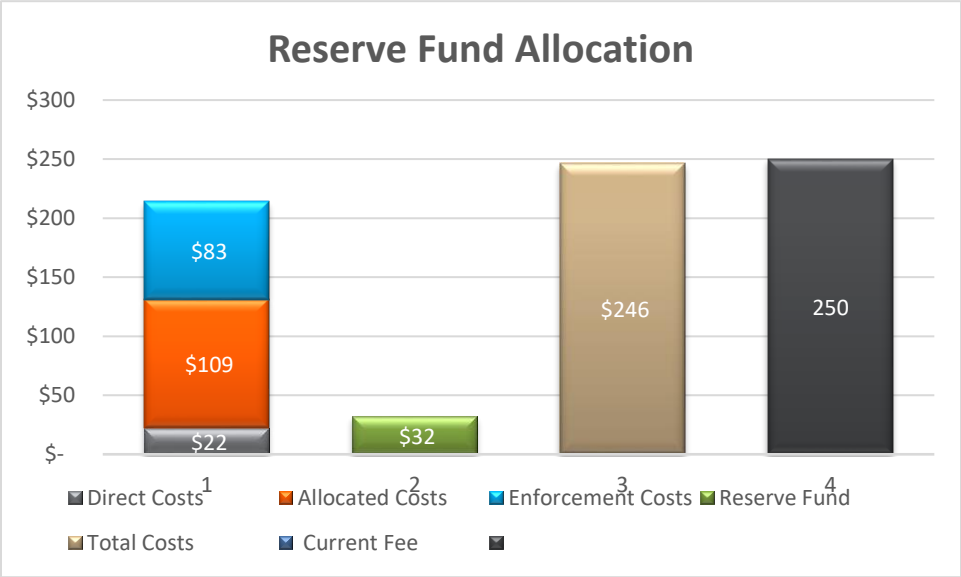
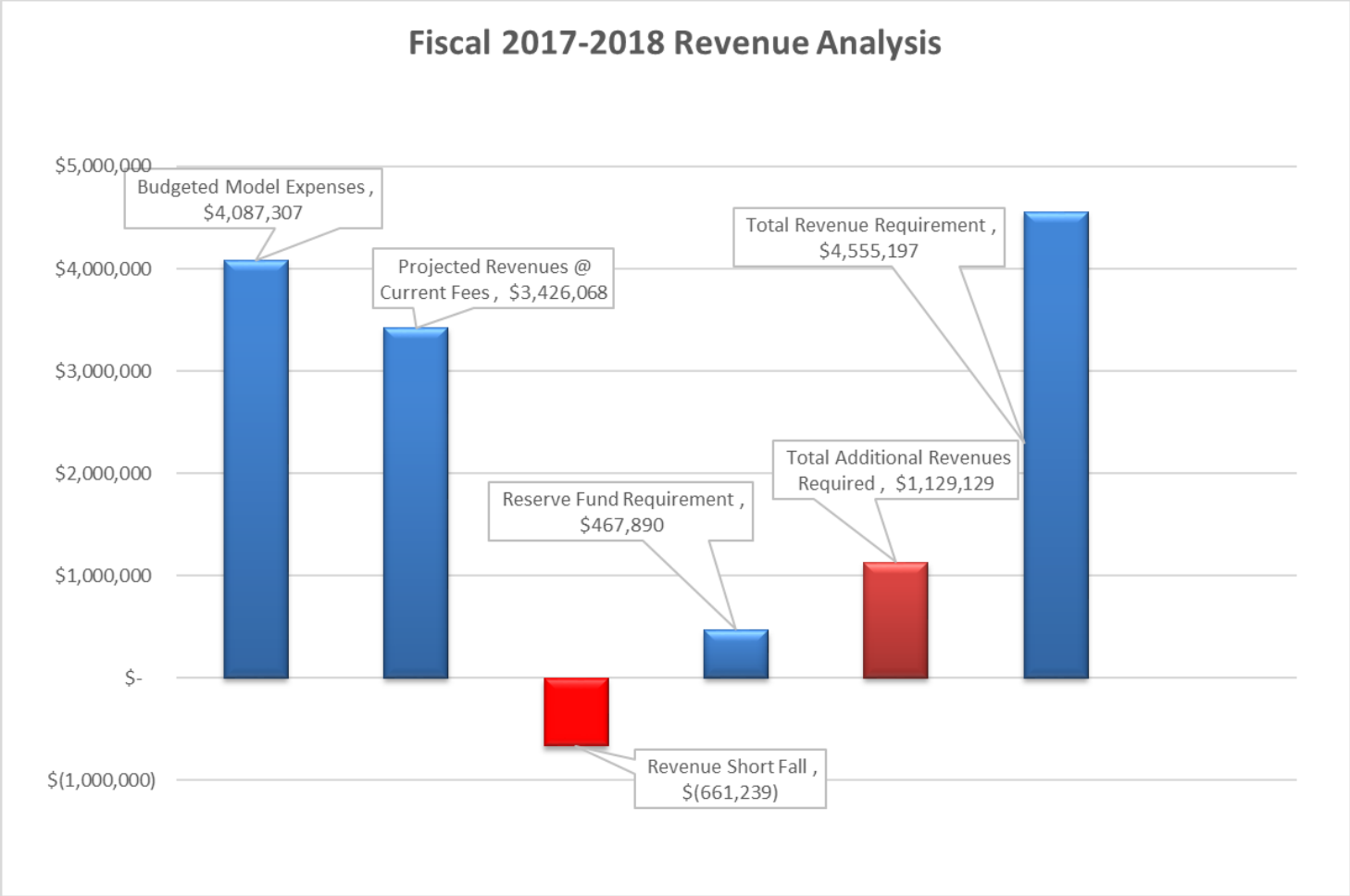



**FIGURE 5**

It should be noted, that calculating a cost is different from establishing a price. The total cost of the Annual renewal license is $246. Based on discussions with staff and Board leadership, a price has been set at a level higher than actual cost. The objective is to price individual licenses in a way that provides greater equitability across all licensees.

## REVENUE SUMMARY

Based on budgeted expenses and our projection of revenues for fiscal 2017-2018 we would expect to see a revenue shortfall of ($661,239). In addition, to rebuild the fund balance to six months of operating expenses in reserves there will need to be an additional $467,890 of revenue required. The following graph illustrates these data.



# Observations and Recommendations

## General Observations

The primary observation is that the Board has a history of conservative fiscal management and is taking a proactive step to insure long-term sustainability. This will strengthen its ability to fully execute its mission and vision for the people of California. However, a projected loss of $661,239 (without an accounting for rebuilding reserves) is significant and is a threat to the solvency of the Board.

## Specific Recommendations

### Move to Recommend Adjustment to Fee Schedule

While we applaud the Board for being proactive in conducting a fee audit, we would recommend the Board take appropriate steps to adjust fees to full cost plus the additional revenues to rebuild reserves or fund balances. Without this action, the Board's long-term sustainability and ability to execute its mission is in jeopardy.

### Set Cap and Adjust Fees Regularly

In our view, one of the most important outcomes of a study of fees is a policy to adjust fees regularly. Staff receive regular cost of living adjustments, Chiropractic Examiners adjust their prices based on inflationary and market forces, therefore, in our view fees should be adjusted regularly as well.

We have provided a 10 year forward projection of fees based on an annual increase of 4.5% annual increase. We would recommend working with the State Legislature to set the cap at the 10 year projected maximum. Then adjusting fees annually or at least bi-annually to maintain alignment of revenues and expenditures. We would also recommend a formal audit of fees every 5 years as processing and regulatory requirements can change dramatically within this time frame.

# APPENDICES

Cost and Pricing Report Table

- Page 1 of 3 shows the analysis of cost for each individual license and the comparison of at current prices;
- Pages 2 of 3 shows the revenue impact at:
    - A) Full cost;
    - B) Recommended pricing; and
    - C) Reserve fund requirements.
- Page 3 of 3 shows the 10-year projection of unit costs at an annual adjustment of 4.5%.

**California Board of Chiropractic Examiners**

***Licensing and Fees***

| Account Code | Fee Name | Notes | Current Work Volume | Future Projected Volume | Direct Unit Cost | Allocated Support Costs | External Enforcement | Total Cost Assigned | Current Fee / Revenue | Unit Surcharge or (Subsidy) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Unit Cost Summary | | | | | |
| | | | | | | | $ 1,057,993.00 | | | |
| 125,600 | Duplicate License | | 235 | 235 | $ 7 | $37 | | $ 44 | $ 25 | ($19) |
| 125,600 | Cite & Fine | Amount varies | 24 | 1 | $ - | | | $ - | $ 15,998 | $15,998 |
| 125,600 | Corp. Special Rpt. | | 47 | 47 | $ 5 | $23 | | $ 28 | $ 5 | ($23) |
| 125,600 | License Verification | | 304 | 304 | $ 18 | $93 | | $ 111 | $ 10 | ($101) |
| 125,700 | Application for Licensure | | 358 | 358 | $ 55 | $278 | | $ 333 | $ 100 | ($233) |
| 125,700 | Satellite Application | | 1,333 | 667 | $ 9 | $46 | | $ 56 | $ 5 | ($51) |
| 125,700 | Corporation Application | | 114 | 102 | $ 28 | $139 | | $ 167 | $ 100 | ($67) |
| 125,700 | Reciprocity Application | | 6 | 6 | $ 55 | $278 | | $ 333 | $ 100 | ($233) |
| 125,700 | Referral Service Application | | | | $ 83 | $417 | | $ 500 | $ 25 | ($475) |
| 125,700 | CE Course Application | | 1,543 | 1,543 | $ 83 | $417 | | $ 500 | $ 50 | ($450) |
| 125,700 | Initial License Fee | | 322 | 322 | $ 28 | $139 | | $ 167 | $ 100 | ($67) |
| 125,700 | CE Provider Application | | 42 | 42 | $ 41 | $209 | | $ 250 | $ 75 | ($175) |
| 125,800 | DC Renewal License | Annual | 12,742 | 12,742 | $ 22 | $109 | $ 83.03 | $ 214 | $ 250 | $36 |
| 125,800 | Renewal Satellite Certification | Annual | 2,846 | 1,423 | $ 5 | $23 | | $ 28 | $ 5 | ($23) |
| 125,800 | Renewal Corporation | Annual | 1,314 | 1,182 | $ 5 | $23 | | $ 28 | $ 10 | ($18) |
| 125,800 | Renewal CE Provider | | 65 | 65 | $ 28 | $139 | | $ 167 | $ 50 | ($117) |
| 125,900 | Forfeiture Fee | like a penality fee for being late | 140 | 140 | $ 41 | $209 | | $ 250 | $ 220 | ($30) |
| | | | | | $ - | | | $ - | | |
| | | | | | $ - | | | $ - | | |
| | | | | | $ - | | | $ - | | |
| | Preceptor authorization request | New fee | 956 | 956 | $ 5 | $23 | | $ 28 | | ($28) |
| | Petition for reinstatement of a revoked license | New fee | 6 | 6 | $ 1,306 | $6,601 | | $ 7,907 | | ($7,907) |
| | Petition for early termination of probation | New fee | 3 | 3 | $ 1,306 | $6,601 | | $ 7,907 | | ($7,907) |
| | Peitition for reduction of penalty | New fee | | | $ 1,440 | $7,278 | | $ 8,718 | | ($8,718) |
| | Duplicate Satellite Certificate | New fee | 108 | 108 | $ 7.3 | $37 | | $ 44 | | ($44) |
| | Duplicate Corporation Certificate | New fee | 7 | 7 | $ 7.3 | $37 | | $ 44 | | ($44) |
| | | | | | $ - | | | $ - | | |
| | | | | | $ - | | $ - | $ - | | |
| | | | | | $ - | $ - | | | | |

**California Board of Chiropractic Examiners**

***Licensing and Fees***

| Fee Name | Annual Cost Calculations (At Actual Costs Calculated): Revenue at Full Cost of Services | Projection of Revenues at Current Fees | Annual Surplus (subsidy) | Results Pricing Model: Pricing Scenerio | Annual Revenue Pricing Model | Reserve Requirements: Six Months Reserve, 5 yr build up (additional) | Full Cost / Unit |
|---|---|---|---|---|---|---|---|
| | | | | | | $ 467,890 | |
| Duplicate License | $ 10,440.02 | $5,875 | ($4,565) | $ 44 | $ 10,440 | $5 | $50 |
| Cite & Fine | $ - | $15,998 | $15,998 | $ - | $ - | | |
| Corp. Special Rpt. | $ 1,305.00 | $235 | ($1,070) | $ 28 | $ 1,305 | $3 | $31 |
| License Verification | $ 33,763.47 | $3,040 | ($30,723) | $ 111 | $ 33,763 | $13 | $124 |
| Application for Licensure | $ 119,282.77 | $35,800 | ($83,483) | $ 333 | $ 119,283 | $38 | $371 |
| Satellite Application | $ 74,172.23 | $3,335 | ($70,837) | $ 56 | $ 37,114 | $6 | $62 |
| Corporation Application | $ 18,991.95 | $10,200 | ($8,792) | $ 167 | $ 16,993 | $19 | $186 |
| Reciprocity Application | $ 1,999.15 | $600 | ($1,399) | $ 333 | $ 1,999 | $38 | $371 |
| Referral Service Application | $ - | | | $ 500 | $ - | $57 | $557 |
| CE Course Application | $ 771,173.11 | $77,150 | ($694,023) | $ 50 | $ 77,150 | $6 | $56 |
| Initial License Fee | $ 53,643.93 | $32,200 | ($21,444) | $ 167 | $ 53,644 | $19 | $186 |
| CE Provider Application | $ 10,495.55 | $3,150 | ($7,346) | $ 75 | $ 3,150 | $9 | $84 |
| DC Renewal License | $ 2,727,902.92 | $3,185,500 | $457,597 | $ 281 | $ 3,580,502 | $32 | $313 |
| Renewal Satellite Certification | $ 79,022.06 | $7,115 | ($71,907) | $ 28 | $ 39,511 | $3 | $31 |
| Renewal Corporation | $ 36,484.53 | $11,820 | ($24,665) | $ 28 | $ 32,819 | $3 | $31 |
| Renewal CE Provider | $ 10,828.74 | $3,250 | ($7,579) | $ 50 | $ 3,250 | $6 | $56 |
| Forfeiture Fee | $ 34,985.17 | $30,800 | ($4,185) | $ 281 | $ 39,340 | $32 | $313 |
| | $ - | | | $ - | $ - | | |
| | $ - | | | $ - | $ - | | |
| | $ - | | | $ - | $ - | | |
| Preceptor authorization request | $ 26,544.30 | | ($26,544) | $ 28 | $ 26,544 | $3 | $31 |
| Petition for reinstatement of a revoked license | $ 47,442.10 | | ($47,442) | $ 333 | $ 1,999 | $38 | $371 |
| Petition for early termination of probation | $ 23,721.05 | | ($23,721) | $ 333 | $ 1,000 | $38 | $371 |
| Peitition for reduction of penalty | $ - | | | $ 333 | $ - | $38 | $371 |
| Duplicate Satellite Certificate | $ 4,797.97 | | ($4,798) | $ 44 | $ 4,798 | $5 | $50 |
| Duplicate Corporation Certificate | $ 310.98 | | ($311) | $ 44 | $ 311 | $5 | $50 |
| | $ - | | | $ - | $ - | | |
| | $ - | | | $ - | $ - | | |
| | | | | $ - | | | |

| Annual Revenue Impacts: Revenue at Full Cost of Services | Projection of Revenues at Current Fees | Annual Surplus (subsidy) | Annual Revenue: Annual Revenue Pricing Model | Annual Revenue Impact: Additional Revenue for Reserves | Total Annual Revenue |
|---|---|---|---|---|---|
| $ 4,087,307 | $ 3,426,068 | ($661,239) | $ 4,084,915 | $ 467,890 | $ 4,552,806 |

**California Board of Chiropractic Examiners**

***Licensing and Fees***

| | Ten Year Projection of Fee Requirements (Scenero #1) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Fee Name** | **Year #1** | **Year #2** | **Year #3** | **Year #4** | **Year #5** | **Year #6** | **Year #7** | **Year #8** | **Year #9** | **Year #10** |
| **4.5% Annual Increase** | | | | | | | | | | |
| Duplicate License | $52 | $54 | $57 | $59 | $62 | $64 | $67 | $70 | $74 | $77 |
| Cite & Fine | | | | | | | | | | |
| Corp. Special Rpt. | $32 | $34 | $35 | $37 | $39 | $40 | $42 | $44 | $46 | $48 |
| License Verification | $129 | $135 | $141 | $148 | $154 | $161 | $168 | $176 | $184 | $192 |
| Application for Licensure | $388 | $406 | $424 | $443 | $463 | $484 | $505 | $528 | $552 | $577 |
| Satellite Application | $65 | $68 | $71 | $74 | $77 | $81 | $84 | $88 | $92 | $96 |
| Corporation Application | $194 | $203 | $212 | $221 | $231 | $242 | $253 | $264 | $276 | $288 |
| Reciprocity Application | $388 | $406 | $424 | $443 | $463 | $484 | $505 | $528 | $552 | $577 |
| Referral Service Application | $582 | $608 | $636 | $664 | $694 | $725 | $758 | $792 | $828 | $865 |
| CE Course Application | $58 | $61 | $64 | $66 | $69 | $73 | $76 | $79 | $83 | $87 |
| Initial License Fee | $194 | $203 | $212 | $221 | $231 | $242 | $253 | $264 | $276 | $288 |
| CE Provider Application | $87 | $91 | $95 | $100 | $104 | $109 | $114 | $119 | $124 | $130 |
| DC Renewal License | $327 | $342 | $357 | $373 | $390 | $408 | $426 | $445 | $465 | $486 |
| Renewal Satellite Certification | $32 | $34 | $35 | $37 | $39 | $40 | $42 | $44 | $46 | $48 |
| Renewal Corporation | $32 | $34 | $35 | $37 | $39 | $40 | $42 | $44 | $46 | $48 |
| Renewal CE Provider | $58 | $61 | $64 | $66 | $69 | $73 | $76 | $79 | $83 | $87 |
| Forfeiture Fee | $327 | $342 | $357 | $373 | $390 | $408 | $426 | $445 | $465 | $486 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Preceptor authorization request | $32 | $34 | $35 | $37 | $39 | $40 | $42 | $44 | $46 | $48 |
| Petition for reinstatement of a revoked license | $388 | $406 | $424 | $443 | $463 | $484 | $505 | $528 | $552 | $577 |
| Petition for early termination of probation | $388 | $406 | $424 | $443 | $463 | $484 | $505 | $528 | $552 | $577 |
| Peitition for reduction of penalty | $388 | $406 | $424 | $443 | $463 | $484 | $505 | $528 | $552 | $577 |
| Duplicate Satellite Certificate | $52 | $54 | $57 | $59 | $62 | $64 | $67 | $70 | $74 | $77 |
| Duplicate Corporation Certificate | $52 | $54 | $57 | $59 | $62 | $64 | $67 | $70 | $74 | $77 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

| Annual Revenues (Projected) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Year #1** | **Year #2** | **Year #3** | **Year #4** | **Year #5** | **Year #6** | **Year #7** | **Year #8** | **Year #9** | **Year #10** |
| $ 4,757,682 | $ 4,971,778 | $ 5,195,508 | $ 5,429,306 | $ 5,673,624 | $ 5,928,938 | $ 6,195,740 | $ 6,474,548 | $ 6,765,903 | $ 7,070,368 |

BOARD of CHIROPRACTIC EXAMINERS
STATE OF CALIFORNIA

State of California
Edmund G. Brown Jr., Governor

**Agenda Item 8**
**October 24, 2017**

**Ratification of Approved License Applications**

## Purpose of the item

The Board will review and ratify the attached list of approved license applications.

## Action(s) requested

A motion is needed to ratify the attached list of approved license applications.

## Background

Between July 1, 2017 and September 30, 2017, staff reviewed and confirmed that the applicants met all statutory and regulatory requirements.

## Recommendation(s)

Staff requests the Board approve the list of approved license applications.

## Next Step

N/A

## Attachment(s)

- List of formerly approved license applications issued between July 1, 2017 and September 30, 2017.

BOARD of CHIROPRACTIC EXAMINERS
STATE OF CALIFORNIA

State of California
Edmund G. Brown Jr., Governor

| Name (First, Middle, Last) | | | Date Issued | DC# |
|---|---|---|---|---|
| Erika | Michele | Figge | 7/3/2017 | 33962 |
| Bernard | S | Kim | 7/3/2017 | 33963 |
| Michael | Hoa Thanh | Luu | 7/3/2017 | 33964 |
| Alanna | Jean | Pierce | 7/3/2017 | 33965 |
| Tomislav | Stjepan | Plese | 7/3/2017 | 33966 |
| Rosemarie | Louise | Caigoy | 7/6/2017 | 33967 |
| David | Wai | Wong | 7/6/2017 | 33968 |
| Raneem | A | Zouhby | 7/10/2017 | 33969 |
| Shawn | Michael | Bean | 7/14/2017 | 33970 |
| Kyle | Evan | Grisius | 7/14/2017 | 33971 |
| Ting Wah | Victor | Heung | 7/14/2017 | 33972 |
| Benjamin | Robert | Karas | 7/14/2017 | 33973 |
| Aaron | James | Laux | 7/14/2017 | 33974 |
| Vincent | Anthony | Bertolini | 7/20/2017 | 33975 |
| Danny | | Louie | 7/20/2017 | 33976 |
| Rodante | De Leon | Saballa | 7/20/2017 | 33977 |
| Michael | Adam | Lim | 7/24/2017 | 33978 |
| Quentin | Dale | Danner | 7/24/2017 | 33979 |
| Jason | J | Lee | 7/28/2017 | 33980 |
| Tara | Lee | Wassel | 7/28/2017 | 33981 |
| Jonathan | James Frank | McCune | 7/28/2017 | 33982 |
| Lori | Kristine | Cruz | 7/31/2017 | 33983 |

| | | | | |
|---|---|---|---|---|
| Brianna | Elizabeth | Husby | 7/31/2017 | 33984 |
| Tyler | Joshua | Jones | 7/31/2017 | 33985 |
| Jorge | Gabriel | Garza-Contreras | 7/31/2017 | 33986 |
| Jessica | Adaly | Lemus | 7/31/2017 | 33987 |
| John | William | Schroeppel | 7/31/2017 | 33988 |
| Tracy | Marie | Ford-Robydek | 8/4/2017 | 33989 |
| Brea | Newell | Van De Pol | 8/4/2017 | 33990 |
| Nhi | My | Huynh | 8/9/2017 | 33991 |
| Will | Jack | Lee | 8/9/2017 | 33992 |
| Nathanael | Turner | Lorenc | 8/9/2017 | 33993 |
| Jason | Wesley | Davidson | 8/17/2017 | 33994 |
| Brian | David | Harbin | 8/17/2017 | 33995 |
| Scott | Stephen | Redfern | 8/17/2017 | 33996 |
| Aaron | Benjamin | Arnold | 8/18/2017 | 33997 |
| Eric | Josef | Dickerson | 8/18/2017 | 33998 |
| James | Allen | Dietrick | 8/18/2017 | 33999 |
| Russell | Trent | Ward | 8/18/2017 | 34000 |
| Behruz | Y | Yusufbekov | 8/18/2017 | 34001 |
| Stephanie | O'Neill | Bhogal | 8/22/2017 | 34002 |
| Mindy | Marie | Brown | 8/22/2017 | 34003 |
| Andrew | Curtis | Jordan | 8/22/2017 | 34004 |
| Tyler | Reid | Meier | 8/22/2017 | 34005 |
| Andra | Philips | Allcorn | 8/28/2017 | 34006 |
| Kenneth | Andrew | Fraser | 8/28/2017 | 34007 |

| | | | | |
|---|---|---|---|---|
| Stephanie | Marie | Janiak | 8/29/2017 | 34008 |
| Allison | Ruth | Nisbett | 8/29/2017 | 34009 |
| Jeana | Marie | Edwards | 8/30/2017 | 34010 |
| Matthew | David | Smith | 8/30/2017 | 34011 |
| Zachary | Ricardo Simon | Tannous | 8/30/2017 | 34012 |
| Vicente | Eduardo | Lujan | 8/31/2017 | 34013 |
| Richard | Shannon | Manley | 8/31/2017 | 34014 |
| Eddie | | Oulashian | 8/31/2017 | 34015 |
| Daniel | Steven | King | 9/7/2017 | 34016 |
| Cheng Chun | | Kuo | 9/7/2017 | 34017 |
| Sam | | Vazin | 9/7/2017 | 34018 |
| Minh | Ngoc | Nguyen | 9/11/2017 | 34019 |
| Monica | Therese | Scott | 9/11/2017 | 34020 |
| Edward | Wai-Kin | Chan | 9/12/2017 | 34021 |
| Jebel | | Garcia | 9/12/2017 | 34022 |
| Ryan | Steven | Fessel | 9/14/2017 | 34023 |
| Austin | Dirk | Ivans | 9/14/2017 | 34024 |
| Eric | Yaohua | Wong | 9/14/2017 | 34025 |
| Devon | MacIntyre | Beechel | 9/19/2017 | 34026 |
| David | | Labrana | 9/19/2017 | 34027 |
| Stephanie | Marquel | Frawley | 9/19/2017 | 34028 |
| Brittany | Sue | Watson | 9/19/2017 | 34029 |
| Dana | | Grenman | 9/19/2017 | 34030 |
| Ted | David | Abramson | 9/22/2017 | 34031 |

| | | | | |
|---|---|---|---|---|
| Anna | Kate | Melendez | 9/22/2017 | 34032 |
| Jacob | Vincent Isaias | Melendez | 9/22/2017 | 34033 |
| Shannon | Alan | Peacock | 9/22/2017 | 34034 |
| David | Dalde | Alapag | 9/26/2017 | 34035 |
| Donald | Andrew | Ehasz | 9/26/2017 | 34036 |
| Darren | Thomas | Murphy | 9/26/2017 | 34037 |
| Carlos | Ray | Sandoval | 9/26/2017 | 34038 |
| Elena | | Sandoval | 9/26/2017 | 34039 |
| Jesse | Isaac | Steinberg | 9/26/2017 | 34040 |