



**LICENSING COMMITTEE**  
**September 9, 2016**

**SUBJECT: LICENSING PROGRAM REPORT**

**50**

**ACTION: RECEIVE LICENSING PROGRAM REPORT**

Committee Members:  
Melodi Masaniai, Chair  
John Cha

**RECOMMENDATION**

Receive and file the status update report on Licensing Unit activity.

**ISSUE**

This status report highlights key statistics of BPM's Licensing Unit and other Licensing activity of note since last reported at the May 11, 2016 meeting of the board.

**DISCUSSION**

The following data below list current and up to date information for all licensing statistics, including new licenses and renewals.

**A. Licensing Statistics**

The following Licensing Reports reflect a current capture of licensing statistics including new licenses and renewals during FY15/16 Quarter 4 running from April 1, 2016, through June 30, 2016.

**1. Licensing Statistics – New Licenses Issued, Year over Year Comparison**

This report provides a comparison of BPM licenses that have been issued during the three previous fiscal years for 12/13, 13/14, 14/15 and those issued to date for FY15/16. In FY12/13, BPM issued 66 permanent licenses; FY13/14, 69 permanent licenses; FY14/15, 70 permanent licenses; FY 15/16, 79 to date. For a grand total of 284 newly licensed DPMs in the last four fiscal years.

A breakdown of licensing data includes the number of Initial Applications received that are currently pending. Of the 29 pending applications, 4 candidates have recently completed their packages.

## **2. Licensing Statistics - Renewal Data and Renewal Data Breakdown**

This report provides an overview of license renewal data for start of the new FY 15/16 for which full reporting data is available and running from April – June 2016. In the month of April, 104 license renewals were mailed out with 87 license renewals by end of month. During the month of May, 89 renewals were mailed with a total of 87 license renewals by the end of month renewal period. June saw 83 license renewals mailed with 76 licenses renewed. For licentiates that did not comply with renewal requirements, Delinquent Renewal Notices were mailed to all pending renewals 30 days after license expiration.

License renewal data is broken down to those to include those that have filed for a Retired, Military, Disabled or Inactive modifier. Also included is the number of licensees in delinquent status in addition to those whose status has changed from Active to Cancelled, Revoked, Surrendered or Reinstated.

## **3. Licensing Statistics - Residents**

This report reflects the Resident licensee base to date. BPM currently has 37 1<sup>st</sup> Year Residents; 40 2<sup>nd</sup> Year Residents; and 41 3<sup>rd</sup> Year Residents. The resident academic year started on July 1, 2015 and will end on June 30, 2016. There was one resident added to our 3<sup>rd</sup> Year Resident rotation list, bringing our resident license total count to 122.

## **B. BreEZe System Update**

The following details BreEZe System updates that BPM currently is working on:

- 1. Online License Application Functionality Update** – Online License Application functionality is running smoothly. As with any new process and functionality, there were a few bugs but BPM worked closely with our developers to resolve the issue right away. To date, no new issues have arisen.
- 2. Online License Renewal Functionality Update** – BPM is still in the beginning stages of planning and development for online renewals and we are working closely with our developers and DCA to implement this functionality. The go-live date originally set for July 2016 has been pushed out farther; no date has been established yet but we are hopeful by year end.

## **C. Continuing Medical Education (CME) Audit**

A CME audit is currently in progress for those licensees that have expiration dates of July 31, 2016, August 31, 2016 and September 30, 2016. A larger pool of 112 candidates has been selected for this year's audit to gather statistical data and ensure our licensees are in compliance. CME Audit history dating back to 2004, shows that previous candidate pools have been had 20 candidates per year during a single month. In 2015, the candidate pool was raised to 74 candidates, during a single month. This

year's audit criteria was again raised to select a larger candidate pool and spread out over a three month period.

#### **D. June 2016 APMLE Part III Examination Results**

The Part III exam held on June 1<sup>st</sup> had a pass rate of 90% with four examinees not passing by the National Boards standards. The next part III exam is scheduled for December 7, 2016. Registration information and credit card payment is now available via the NBPME website.

#### **E. Proposed Legislation affecting Licensing**

Effective January 1, 2016, the following bills have been passed into Legislative and affect the Licensing Program.

i. **[SB 1155](#) (Morrell) Professions and vocations: licenses: military service**

This bill would require every board within the Department of Consumer Affairs to grant a fee waiver for the application for and the issuance of an initial license to an individual who is an honorably discharged veteran.

Staff is cognizant of the new statutory provisions and will ensure that they are appropriately followed.

ii. **[SB 1348](#) (Cannella) Licensure applications: military experience**

This bill would require each board, with a governing law authorizing veterans to apply military experience and training towards licensure requirements, to modify their application for licensure to advise veteran applicants about their ability to apply that experience and training towards licensure requirements.

BPM staff has been fully briefed on this new statutory provision and is currently looking at our DPM licensing and education requirements and wish to evaluate the education, training and experience obtained in the armed services to determine if military training or education may be used to satisfy a requirement for licensure.

#### **F. BPM Quarterly Timeline**

Provided for Committee planning purposes and review is a 3-month timeline to enhance committee situational awareness for pertinent dates and approaching deadlines.

#### **NEXT STEPS**

Staff will continue to maintain the licensing program current, continue operations without backlog and provide excellence of service within resources in keeping with the

importance of licensing effectiveness in consumer protection and efficient use of public resources.

**ATTACHMENTS**

- A. Licensing Statistics –New Licenses Issued (Year/Year Comparison)
- B. Licensing Statistics – Renewal Data Quarter 4 (April – June 2016)
- C. Licensing Statistics – Residents
- D. BPM Quarterly Timeline

Prepared by: Kia-Maria Zamora, Licensing Unit Coordinator



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Kia-Maria Zamora  
Licensing Unit Coordinator



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Kathleen Cooper, JD  
Interim Executive Officer

**Board of Podiatric Medicine**  
**Licensing Statistics - New Licenses Issued**  
**Year over Year Comparison**

**New Licenses Issued by Fiscal Year**

	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16</b>
July	9	8	5	7
August	3	8	3	2
September	4	2	3	3
October	4	1	2	1
November	4	3	2	2
December	0	1	7	6
January	2	5	4	4
February	5	3	4	11
March	9	12	14	5
April	10	10	9	1
May	8	7	4	21
June	8	9	13	16
<b>New Licenses Issued by Fiscal Year</b>	<b>66</b>	<b>69</b>	<b>70</b>	<b>79</b>

**Current / Active License Total**

	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16 (Apr – Jun)</b>
Current / Active Licenses by Fiscal Year	1955	1966	2023	2171

**Initial License Application Pending Total**

	<b>Incomplete</b>	<b>Completed</b>	<b>Total to date</b>
Initial License Application Pending	25	4	29

**Board of Podiatric Medicine**  
**Licensing Statistics – Renewal Data**  
**Quarter 4 Report (April – June 2016)**

**Renewal Data**

	Renewals Sent	Renewed	Pending Renewal
April	104	87	17
May	89	87	2
June	83	76	7
<b>Total</b>	<b>276</b>	<b>250</b>	<b>26</b>

**Renewal Data Breakdown**

	<b>Apr – Jun 2016</b>
Renewed – Current	250
Renewed – Disabled	6
Renewed – Military	2
Renewed – Retired	9
Renewed – Inactive	3
Delinquent (includes prior months)	231
Cancelled	0
Revoked	0
Surrendered	0
Reinstated	0

**Board of Podiatric Medicine**  
**Licensing Statistics – Residents**  
**Quarter 4 Report (April – June 2016)**

**Resident Licenses**

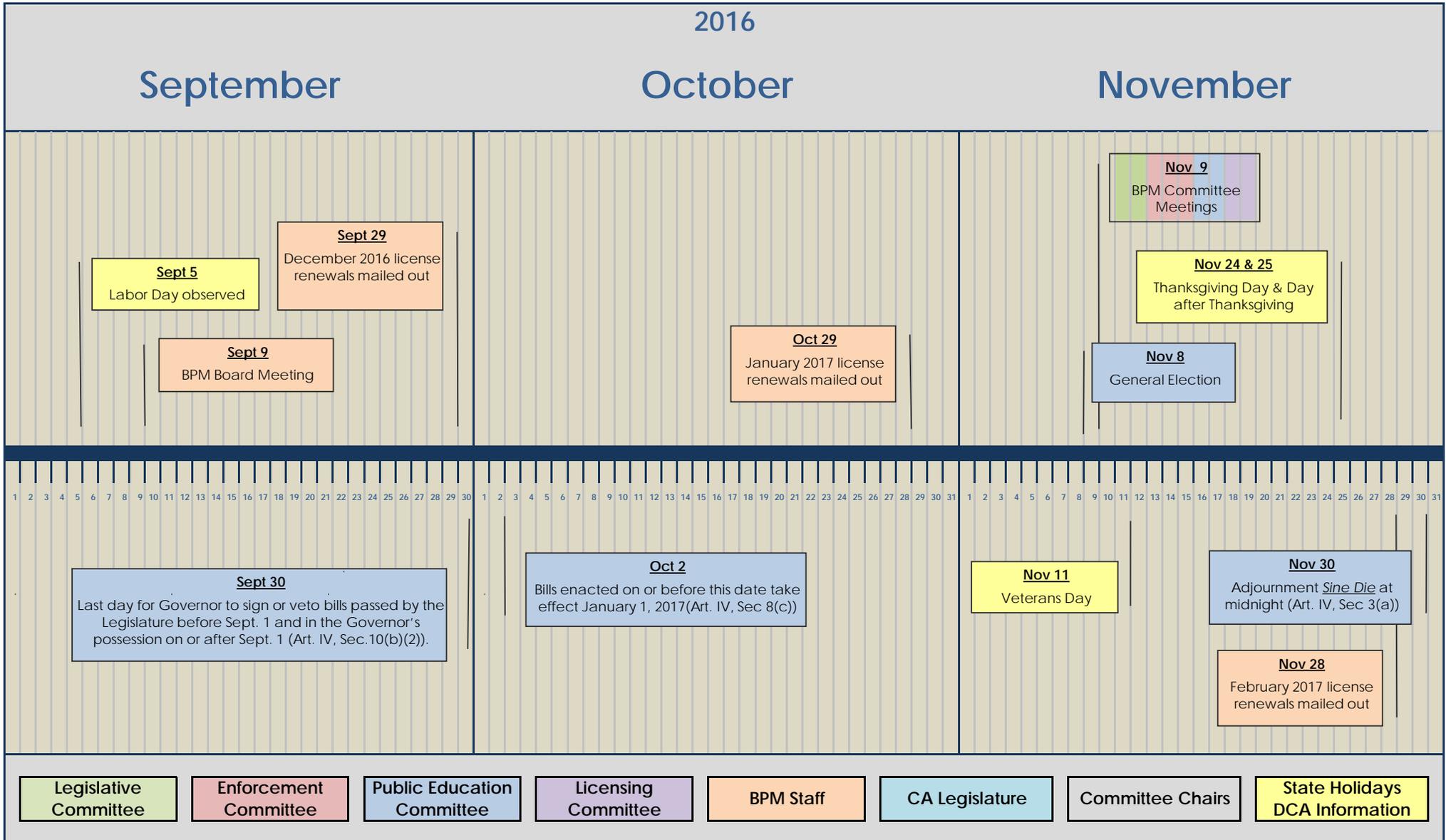
	<b>Resident Academic Period July 1, 2015 – June 30, 2016</b>
1 <sup>st</sup> Year Resident	37
2 <sup>nd</sup> Year Resident	40
3 <sup>rd</sup> Year Resident	41
3 <sup>rd</sup> Year Resident Rotation	4

**Totals**

	<b>Resident Academic Period July 1, 2015 – June 30, 2016</b>
Total Resident Licenses	122



# BPM Calendar





**LICENSING COMMITTEE**  
**September 9, 2016**

**SUBJECT: APPLICATIONS FOR CONTINUING MEDICAL EDUCATION (CME)  
PROGRAM APPROVAL**

**ACTION: REVIEW APPLICATION FOR APPROVAL**

**RECOMMENDATION**

Review and approve subject to the guideline criteria provided in section 1399.671 of the California Code of Regulations.

**ISSUE**

A program organizer seeks continuing medical educational (“CME”) course approval from the California Board of Podiatric Medicine (“BPM”).

**DISCUSSION**

Program organizers offering educational courses or programs lacking previous approval for CME credit by the California or American Podiatric Medical Associations or their affiliated organizations or approval of Category 1 credit of the American or California Medical Associations or approval by the American and/or California Osteopathic Associations and neither offered by a government agency or an approved college/school of medicine may apply to BPM for CME course or program approval.

Accordingly, pursuant to the professional and vocational regulations contained in Title 16, California Code of Regulations, Division 13.9, Sections 1399.670 and 1399.671, BPM may extend approval to said educational courses or programs as qualified for CME credits upon submission of appropriate documentation and other evidence as needed to determine compliance with required criteria as set forth in the regulations which include the following benchmarks:

- 1) A faculty appointment in a public university, state college or private postsecondary education institution;
- 2) Clearly stated educational objectives that are realistically achievable within a course framework;
- 3) A delineated method of course instruction;

- 4) Maintenance of a record of attendance for all participants; and
- 5) Rationale and method for determining both the need for and content of the course offering.

### **FINANCIAL IMPACT**

Approval of this item will not have a financial impact on the Board of Podiatric Medicine's FY 16/17 Budget. Ultimately, submission of an application for approval of a continuing medical education course or program generates fee revenue of one hundred dollars (\$100) in accordance with the authority provided under section 2499.5 of the California Business and Professions Code.

### **POLICY IMPLICATIONS**

Review and approval is consistent with the Board's regulatory authority as provided by Title 16, California Code of Regulations, Division 13.9, Sections 1399.670 and 1399.671.

### **NEXT STEPS**

With Committee approval, staff will issue the required documentation to the course provider which appropriately reflects the decision of the Board.

### **ATTACHMENTS**

- A. 16 CCR §§ 1399.670 – 1399.671
- B. Application for Continuing Medical Education (CME) Program Approval from *MD Trials, LLC/Podiatry Research Group*
- C. Application for Continuing Medical Education (CME) Program Approval from *O'Connor Hospital Would Care Center*

Prepared by: Kia-Maria Zamora, Licensing Unit Coordinator



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Kia-Maria Zamora  
Licensing Unit Coordinator



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Kathleen Cooper, JD  
Interim Executive Officer





CH#: 1010  
 \$100  
 2/11/2016  
 aP

**APPLICATION FOR CONTINUING  
 MEDICAL EDUCATION (CME)  
 PROGRAM APPROVAL**

FOR BPM USE ONLY	
Fee paid: <u>100</u>	Receipt #: <u>RA-0387</u>
Date Cashiered: <u>3/4/16</u>	Cashier's Initials: <u>AS</u>
Date Approved: _____	Date Denial: _____
Approved Initial: _____	

~~CH#~~ E4182  
 ent # 306 857

Only those individuals, organizations or institutions seeking approval by the board for continuing medical education programs per Section 1399.670(f) of the California Code of Regulations must complete this form.

Please print or type. Illegible applications will be returned.

Name of Program: CLINICAL TRIALS FELLOWSHIP

Location(s) Given: ONLINE TRAINING MODULE, Date: 2/5/2016

Requested number of CME hours: 25

1. Program organizer with faculty appointment in a public university, state college or private post-secondary educational institution approved under Section 94310 of the California Education Code. (Please attach a curriculum vitae).<sup>1</sup>

Name: Melvin Alex Dan Title: Director

University/College: MOTRIALS / PODIATRY RESEARCH GROUP

Department: CLINICAL

Address: 557 Promontory Drive West E4182  
Newport Beach CA 92660

Telephone: 415 824 2000

Email: \_\_\_\_\_

<sup>1</sup> Faculty appointment may be in a discipline other than medicine but must be directly related to the practice of podiatric medicine.

2. Clearly state the rationale for the program and how the need was determined.

CLINICAL TRIALS ARE A STANDARD IN ALLOPATHIC EDUCATION AND DURING RESIDENCY TRAINING. PODIATRISTS ARE NOT EXPOSED TO THE OPPORTUNITY OF CONDUCTING CLINICAL TRIALS. AS A RESULT, NEW, INNOVATIVE DRUGS / DEVICES ARE DELAYED. PODIATRISTS ARE PHYSICIANS AND MUST BE GIVEN THE

3. Has a need survey of the podiatric medical community been utilized?

Yes  No

OPPORTUNITY TO CONDUCT CLINICAL TRIALS

4. Course Content: Please provide a complete breakdown of topics with designated times to be given. Supplemental attached documents should include but are not limited to catalogues, course descriptions, curricula plans, bulletins and brochures.

SEE ATTACHMENTS

5. List the educational objectives of the program(s):

UPON COMPLETION OF THIS PROGRAM, PODIATRISTS WILL UNDERSTAND THE DRUG DEVELOPMENT PROCESS. IN ADDITION, TO HAVING THE KNOWLEDGE TO CONDUCT OFFICE BASED CLINICAL TRIALS.

6. What is the method of instruction?

Lecture  Workshop  Audio-visual simulation

Other

Please explain:

THE COURSE IS ~~18~~<sup>12</sup> MODULES OF ONLINE TRAINING; CONTAINING ~~15~~<sup>15</sup> HOURS OF CONTENT.

PLEASE SEE ENCLOSURE.

## Application for CME Program Approval

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7. Are you providing each participant a self-assessment evaluation?

Yes  No 

8. Are you maintaining records of attendance on each participant?

Yes  No 

For how long?

7 years**This form must be mailed to the board at the address below with a \$100 processing fee.**

Application submitted by:

Name:

MICHAEL ALEX, DPM

Title:

Director

Address:

557 Promontory Drive West

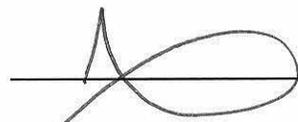
Telephone:

415 824 2000

Email:

MICHAEL@PODIATRYRESEARCHGROUP.COM

Signature:



Date:

2/5/16

Dear Board Of Podiatric Medicine:

Below is a description of the course content for the clinical trial fellowship training:

Each module is 1-2hours. Modules CRx19, CRx20, CRx21, CRx22, CRx23,CRx24, CRx26, CRx27, CRx28 have a self assessment quiz consisting of 30-50 questions each.

- CRx19 - The History of Clinical Research
- CRx20 - Participant Recruitment for Beginners
- CRx21 - Advanced Participant Recruitment
- CRx22 - Clinical Research Site Study Close Out
- CRx23 - Investigator Responsibilities in Clinical Research
- CRx24 - Regulatory Document Submission
- CRx25- Staff Training
- CRx26 - Ethics In Clinical Research
- CRx27 - Site Selection and Initiation Procedures
- CRx28 - Building a Successful Clinical Research Site
- CRx29- Contract and Budget Negotiations
- CRx30- How to partner with MDs to conduct clinical trials

**Michelle Alex, D.P.M.**

Newport Beach, CA

**THERAPEUTIC EXPERIENCE:**

Oncology, Hematology, Vascular, Gastroenterology, Renal, Cardiology, Neurology(Stem Cell) Neurology, Imaging, Pediatrics, Infectious Disease, Endocrinology, Respiratory, Orthopedics/Surgical, Urology, Analgesics, Rheumatology, Dermatology, Respiratory

**PROFESSIONAL:**

**MDTrials, LLC/Podiatry Research Group Director**  
1-2013-Present

**Reno Clinical Trials, Director**  
3/2010-2013

**San Francisco Clinical Research Center, Clinical Research Center Director**  
4/2009-1/2010

**Bay Area Foot Care, San Francisco, CA**  
**Podiatric Medical Director**  
1997-2009

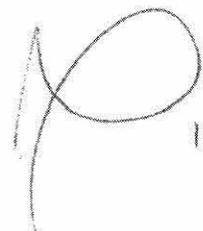
**EDUCATION:**

**San Francisco General Hospital, San Francisco, Ca**  
**Podiatric Medical Resident**  
1996-1997

- Successfully completed the following rotations: Endocrinology, Internal Medicine, Emergency Medicine, Trauma, Dermatology, Orthopedic Surgery.
- Researched, wrote and presented to the Department of Endocrinology, an independent paper titled "Dysfunction of Lipid Metabolism."

**Ohio College of Podiatric Medicine, Cleveland, OH**  
**Doctor of Podiatric Medicine (D.P.M.)**  
1992-1996

- Completed 2 years of clinical rotations through all departments of medicine.
- Completed 2 years of basic sciences (biochemistry, physiology, microbiology, pharmacology, microbiology, immunology, gross anatomy, cell biology).

 1/28/16

**University of Akron, Akron, OH**

**Major: Biology**

**1988-1992**

**PROFESSIONAL TRAINING:**

\*2015: CITI GCP Training

2010: Rx Trial Institute, The Hidden Costs of Conducting Clinical Research

2009: Duke University Health System, Keys to Building a Successful Research Site

2008: PRI, Auditing Clinical Trials for GCP Compliance

2007: GSK, RECIST Workshop

2005: PRI, Auditing for GCP Compliance

2004: PhaseForward, Certified Electronic Data Capture (EDC) Trainer Version 4.0

2003: HIPPA Training

2002: University of California Santa Cruz, Certification in Clinical Trials Design/Management

1999: Barnett International Seminar, Medical Writing for Clinical Research

**AFFILIATIONS:**

- Drug Information Association
- Society of Quality Assurance
- American Medical Writers Association
- Association of Clinical Research Professionals

**Zamora, Kia-Maria@DCA**

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**From:** Michelle Alex <researchdrugs@aol.com>  
**Sent:** Tuesday, June 07, 2016 2:21 PM  
**To:** Zamora, Kia-Maria@DCA  
**Subject:** Re: CME program

Dear Kia-Maria,

The training consist of a live 2.5 day training in Newport Beach, CA in combination with the 12 online modules. that would exceed 25 hours in training.

Thank you,

Michelle Alex  
415-824-2000

-----Original Message-----

**From:** Michelle <researchdrugs@aol.com>  
**To:** Zamora, Kia-Maria@DCA <Kia-Maria.Zamora@dca.ca.gov>  
**Sent:** Mon, Feb 22, 2016 2:16 pm  
**Subject:** Re: CME program

Mia

I wanted to check on the status of the CmE application I submitted. Thank you  
Michelle

On Jan 20, 2016, at 10:44 AM, Michelle <researchdrugs@aol.com> wrote:

Than you Mia for he follow up  
When do I have to renew the original course?

Sent from my iPhone

On Jan 20, 2016, at 10:36 AM, Zamora, Kia-Maria@DCA <Kia-Maria.Zamora@dca.ca.gov> wrote:

Hello Dr. Alex,

Please accept my apologies for the delayed response. As I'm sure with you, it has been extremely busy.

With regards to your CME program, unfortunately, if no documentation was provided for the additional 5 hours, then I am unable to approve the continuance of this program with the additional hours. I recommend reapplying for this program with the request of the additional hours and it will be presented to our Education Committee for review. On the same note, if anything in the curriculum has changed or been updated, that information needs to be provided to the board as such.



**APPLICATION FOR CONTINUING  
MEDICAL EDUCATION (CME)  
PROGRAM APPROVAL**

**FOR BPM USE ONLY**

Fee paid: _____	Receipt #: _____
Date Cashiered: _____	Cashier's Initials: _____
Date Approved: _____	Date Denial: _____
Approved Initial: _____	

Only those individuals, organizations or institutions seeking approval by the board for continuing medical education programs per Section 1399.670(f) of the California Code of Regulations must complete this form:

*Please print or type. Illegible applications will be returned.*

Name of Program: Center of Excellence Clinical Experience in Wound Care  
 Location(s) Given: 125 Gro Ave Date: Monthly August 15 2016  
San Jose CA 95128

Requested number of CME hours: 5

1. Program organizer with faculty appointment in a public university, state college or private post-secondary educational institution approved under Section 94310 of the California Education Code. (Please attach a curriculum vitae).<sup>1</sup>

Name: Bruce LERMAN Title: Director

University/College: Oconnor Hospital Wound Care Center

Department: Wound Care Out Patient

Address: 125 Gro Ave SJ CA 95128

Telephone: 408 947-2804

Email: LERMAN.BRUCEI@GMAIL.COM

<sup>1</sup> Faculty appointment may be in a discipline other than medicine but must be directly related to the practice of podiatric medicine.

## Application for CME Program Approval

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2. Clearly state the rationale for the program and how the need was determined.

Wound care has become extremely specialized. New technology and diagnostics are available. We provide training & education on indications, applicator protocol, legathemes in proper diagnostics. Please see enclosed agenda

3. Has a need survey of the podiatric medical community been utilized?

Yes



No

4. Course Content: Please provide a complete breakdown of topics with designated times to be given. Supplemental attached documents should include but are not limited to catalogues, course descriptions, curricula plans, bulletins and brochures.

enclosed

5. List the educational objectives of the program(s):

Education on Regenerative Medicine  
 Exposure to vascular diagnostics Vascular & Arterial  
 Education on how to run a wound care center

6. What is the method of instruction?

Lecture



Workshop



Audio-visual simulation

Other

Please explain:

Morning lecture followed by Clinical Experience  
 Finish with questions answered.

## Application for CME Program Approval

Page 3

7. Are you providing each participant a self-assessment evaluation?

Yes  No 

8. Are you maintaining records of attendance on each participant?

Yes  No 

For how long?

We have records past 4 years.

This form must be mailed to the board at the address below with a \$100 processing fee.

Application submitted by:

Name:

Bruce Lerman DPM FACP FACS Title: Director WCC

Address:

125 Giro Ave  
SAN JOSE CA 95128

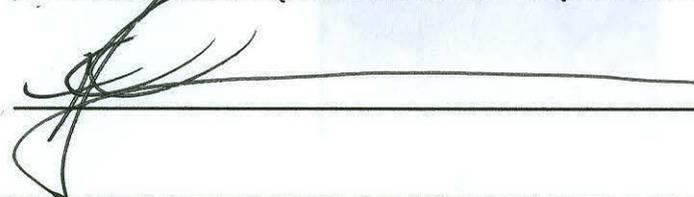
Telephone:

408 947 2804

Email:

LERMAN, BRUCEF@GMAIL.COM

Signature:


 Date: 2/11/2016.
O'Connor  
Hospital

It's The Way We Care

Bruce Lerman, DPM, FACP, FACS

Medical Director

O'Connor Hospital Wound Care Clinic

125 Giro Ave, Suite 201, San Jose, CA 95128-1471

408-947-2804 | Fax: 408-947-3480

www.oconnorhospital.org

Part of Verity Health System



CH#: 6006

5002-65

\$100.00

7/13/2016

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CH#: 271423

## Clinical Agenda for Visiting Physicians.

### 8:30 Morning meeting including breakfast

Discuss agenda for the day and what to expect for the next four hours

Includes discussion on paperwork, Wound Expert, Patient intake and New Patient Procedures, procedures required for authorization of bioengineered products, HBOT, insurance verification and designation of patient to the appropriate physician based on specialty and insurance provider requirements.

### 9:00-1:00 Clinic

- Patient Cases
- HBOT
- Vascular Arterial Evaluation:
  - doppler, laser doppler, TCOM
  - Luna
  - CT angiogram and MRA
- Venous Evaluation:
  - Duplex Scans, Reflux Scans, Iliac Scans
- Bioengineered Products and Regenerative Medicine
  - Amnion Products Grafix and Epifix
  - Skin Substitutes including Apligraf, Dermagraft, Graft Jacket
  - Acellular Material Skin Temp Puraply, other collagen based products, Acell and others
- Debridements both surgical and nonsurgical
  - Mist Therapy
  - Wound debridements Surgical
  - Ultrasound debridement
- Negative Pressure therapy, care of Venous Disease
  - Wound Vacs Snap, PICO, others
  - Alternative Venous dressings and compression therapy

### 1:00-2:00 Lunch

- Closing discussion regarding Clinical Experience.
- Complete evaluation forms





**LICENSING COMMITTEE**  
**September 9, 2016**

**SUBJECT: BPM CURRENT AND PROPOSED UNSCHEDULED FEES**

**ACTION: RECEIVE REPORT ON BPM CURRENT AND PROPOSED UNSCHEDULED FEES**

**RECOMMENDATION**

Receive and file the status update report on BPM current and proposed unscheduled fees.

**ISSUE**

At the November 13, 2015 Board Meeting there was a unanimous vote to propose a new fee structure and to present it in its Sunset Report. The unscheduled fee proposal was presented to both the Senate and Assembly. Although the fee increases were initially included in SB 1039, all language referring to the Board of Podiatric Medicine was removed. Senator Hill indicated that the fee issue would be handled next year within the Sunset Review process for the Medical Board of California.

**DISCUSSION**

The following fee increases were voted on by the Board on November 13, 2015. There was a unanimous agreement among Board Members to request a fee increase for BPM's unscheduled fees. The following pertinent information was outlined in the Executive Officer's Report to the Board re: BPM's Fee Audit, which is quoted below in italics.

*Since 2001, it had been recognized that BPM's fees needed revision to sustain a long-term positive fund balance. Accordingly, a temporary increase to the renewal fee was made permanent in 2004 (SB 1549), with the understanding that fees for user based services would be increased later in order to cover actual costs. While the license renewal fee increase was helpful to ensuring overall sustainability, BPM's*

*schedule of user based service fees have not been adjusted to meet the actual costs for providing service.*

*One of the main points that may be taken away from the fee study is that the Board's schedule of service fees should reflect actual costs of service. Given that the schedule of user based service fees—that is fees that are charged to licensees based on a specific request from a licensee for a service from the board, i.e., issuance of a letter of good standing—have not been changed since at least before 1989, the fees do not appropriately reflect decades of inflation or cost of living and wage increases that all directly impact the cost of services provided. As a frame of reference, the price of a gallon of gasoline in 1989 was .97 cents as recorded by the California Energy Commission Energy Almanac.*

*Even more telling, is the United States Department of Labor, Bureau of Labor Statistics Inflation Calculator which calculates changes in prices of all goods and services purchased for consumption by urban households by using the average Consumer Price Index (“CPI”) for a given calendar year. The latest monthly index value is used for each current year. Accordingly, \$30 in 1989 (the amount charged for issuing a letter of good standing in 1989) represents \$57.76 worth of buying power in 2015. This represents a 92% increase in the cumulative rate of inflation. If adjusted for inflation alone the same item today would cost \$57.76. However, the board continues to levy only a \$30 fee for the same service. While it is recognized that a fee collected by the board cannot not exceed the cost of providing the service for which the fee is collected, the existing decades old fee schedule prevents the board from even nearing recovery for actual costs of service provided.*

*For example, issuing a letter of good standing today represents a range of ½ to 1 hour of staff processing time on average. Using the hourly rate formula based on full absorption costing, as suggested by the fee study, yields an actual cost calculation to the agency of \$50 to \$100 for providing the service. Thus, the board fails to recover anywhere from \$20 to \$70 dollars each time staff issues a letter of good standing because the current fee maximum is set at \$30. In other words, the current fee for a letter of good standing represents an internal structural operating deficit.*

*Having said this, the board's fund condition currently retains approximately 12.6 months of operating funds. The board has reverted in excess of \$100,000 to the fund over the last four fiscal years. It has been able to achieve these savings through careful fiscal stewardship and budgetary discipline.*

However, when accounting for the future effects of anticipated retirements to BPM's relatively invariable licensee base and revenue stream in addition to factoring increasing departmental and statewide pro rata expenditures necessary to fund the department-wide BreEZe project, these foreseeable cost increases and reductions to the revenue base are expected to result in slight imbalance between receipts and expenditures that will gradually chip away at the fund over time.

Since BPM does not have authority to increase fees administratively, the Board may wish to consider a proposal for increasing the board's existing schedule of service fees for inclusion in BPM's Sunset Report. The below recommended proposed increases will help to offset expected decreases to future revenue as a result of projected retirements in the next five years as well as to help defray known increased costs associated with the department wide BreEZe project. The proposed changes represent only a very modest increase in annual BPM revenue (approximately \$11,000) and will contribute to continued good financial housekeeping and fund condition.

CURRENT FEE RATE & FEE AUTHORITY (include Code section references):

- (1) Application Fee - \$20 (BPC § 2499.5 (a))
- (2) Duplicate License - \$40 (BPC § 2499.5 (f))
- (3) Duplicate Renewal Receipt - \$40 (BPC § 2499.5 (g))
- (4) Letter of Good Standing/Endorsement - \$30 (BPC § 2499.5(h), (i))
- (5) Resident's License - \$60 (BPC § 2499.5 (j))
- (6) Ankle License Application and Exam fees - \$50, \$700 (BPC § 2499.5 (k))
- (7) Exam Appeal Fee - \$25 (BPC § 2499.5 (l))
- (8) CME Course Approval - \$100 (BPC § 2499.5 (m))

PROPOSED/NEW FEE RATE:

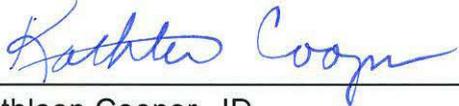
- (1) Application Fee - \$100
- (2) Duplicate License - \$100
- (3) Duplicate Renewal Receipt - \$50
- (4) Letter of Good Standing - \$100
- (5) Resident's License - \$100
- (6) Delete authorization for ankle exam fees - \$0
- (7) Exam Appeal Fee - \$100
- (8) CME Course Approval - \$250

SB 1039, the Senate's Omnibus Bill, was a possible vehicle for BPM to have its request included in the bill. It is expected that SB 1039 will not include BPM's request for the proposed fees and that this issue will be revisited in the future.

**NEXT STEPS**

BPM will have another opportunity to request that it be granted authority for an increase during the next legislative cycle. The Board may want to revisit the specifics of this matter in the near future and determine if the current proposal should be presented in its current form or amended.

Prepared by: Kathleen Cooper JD



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Interim Executive Director