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October 26, 2007

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Executive Director
Iowa Board of Medical Examiners
400 SW Eighth Street, Suite C
Des Moines, IA 50309-4686

Via e-mail
ann.mowery@iowa.gov

RE: Proposed Licensure Fee Increases, ARC 6297B

Dear Ms. Mowery:

Thank you for the opportunity to comment on noticed rules of the Iowa Board of Medicine (IBM) proposing license fee increases. The Iowa Medical Society (IMS), representing approximately 4600 physician members, is opposed to this rulemaking for the reasons set forth below.

Since the most affected increase is in fees for biennial license renewal and since nearly 98% of all doctors renew online, these comments will focus primarily on the proposed increase in cost for online renewal. That cost would increase from the current \$400 biennial amount to \$450. [The biennial license renewal fee for paper filing would increase from \$500 to \$550.] IMS' opposition, however, extends to all proposed fee increases.

IBM's history of increases in its license renewal fees since 1999 is an aggressive one. The following is illustrative:

- 1999 - \$200 biennial license renewal fee increased to \$325 (38% fee increase); [Note: The \$325 biennial fee was later reduced to \$312.50 for electronic filing.]
- 2005 - \$312.50 biennial electronic license renewal fee increased to \$400 (28% fee increase);
- 2007 - \$400 biennial electronic license renewal fee proposed to increase to \$450 (12.5% increase).

Comparison data from the American Medical Association's publication, *State Medical Licensure Requirements and Statistics, 2008*, indicate that the IBM's proposed increase of its online biennial license renewal fee to \$450, if approved, would be among the highest in the nation among all state medical (MD and DO) licensing boards. *Please see the attached chart.* There are 62 medical (MD or DO or MD/DO) licensing boards, including the District of Columbia, excluding Iowa. License renewal fees imposed by each of these

boards vary in their payment periods (i.e., annually, biennially, or every three years).

Breaking down the renewal fees on a “per year” basis for each of the 62 medical licensing boards in comparison to the IBM’s proposed “per year” electronic license renewal fee of \$225, the AMA’s comparison data shows as follows:

- 20 medical licensing boards have per year license renewal fees that are *the same as or higher* than the IBM’s proposed per year fee of \$225.
- 42 medical licensing boards plus the District of Columbia have per year license renewal fees that are *lower* than the IBM’s proposed per year fee of \$225.

The AMA’s comparison data further shows that the IBM’s proposed biennial license renewal fee, broken down on a per year fee basis, would be the *highest* of such fees paid by physicians in the Midwest.

Illinois:	\$100 (in-state), \$200 (out-of-state)
Iowa:	\$225
Minnesota:	\$192
Missouri:	\$135
Nebraska:	\$38.50
North Dakota:	\$150
South Dakota:	\$200
Wisconsin:	\$53

IMS understands that Iowa law requires the IBM and other professional licensing boards to support their operations from fees paid by their licensees. Iowa Code section 147.80 directs professional licensing boards to set licensure and renewal fees “based upon the cost of sustaining the board and the actual costs of licensing.” In looking at the licensure renewal fees of the three other “independent” boards (i.e., not administered by the Professional Licensure Division of the Iowa Department of Public Health), the IBM’s proposed biennial electronic license renewal fee is the highest.

Board of Dentistry:	\$315 (2 years)
Board of Medicine:	\$450 (2 years) (proposed)
Board of Nursing:	\$99 (3 years)
Board of Pharmacy:	\$200 (2 years) plus \$20 surcharge

IMS recognizes that comparisons of flat amounts do not always tell the full story and that fees for licensure renewal may be less for one board’s licensees

because of other ways in which that board assesses fees to cover its costs of operations. Similarly, among state medical boards, there are different statutory fee requirements and other mechanisms that may exist to support the operations of those boards.

Even so, the fee comparisons set forth above consistently show the IBM's proposed licensure renewal fee as either the highest or among the highest. As such, the medical community that is bearing the burden of these costs rightfully asks questions and appropriately issues challenge to the proposed fee increases. In light of the substantial percentage increases in IBM license renewal fees since 1999, Iowa doctors wonder if there is no end in sight and what can be done to stem the tide of increasing fees.

In 2005, IMS expressed concern with the IBM's proposed fee increase for license renewal but did not oppose it, in part because of the LEAN process that the IBM was slated to undergo in 2005-06. IMS leadership believed in good faith that the LEAN process would result in greater efficiencies both in operations *and* in costs. IMS applauds the many of the changes that the IBM implemented in response to its LEAN findings to enhance its efficiencies. As such, we did not expect a significant license renewal fee increase (12.5%) so soon after LEAN implementation.

IMS appreciates that the IBM faces annual salary and other expense increases. Certainly all physician practices face those same annual increases in expenses. Iowa physicians suffer the harsh reality of increasing expenses in the face of decreasing reimbursements. As the IBM knows, Iowa ranks among the very *highest* in quality care delivery (6th in federal Medicare rankings, 2nd under a recent Commonwealth Fund report), and among the very *lowest* (on average, 80 out of 89 payment localities) in Medicare reimbursement. Iowa Medicaid has not even kept up with Medicare despite a statutory mandate to do so. Private insurers generally tether their payment formulas off of Medicare. Given this environment, fee increases such as those proposed by the IBM in this rulemaking cannot be taken lightly by Iowa physicians.

IMS believes it is incumbent upon the IBM to provide to the medical community that bears the burden of paying IBM operational costs a statement of budgetary analysis in support of its proposed fee increases. The Iowa Administrative Procedures Act (IAPA), Iowa Code section 17A.4, anticipates that an agency will include in the preamble of each proposed rule a brief explanation of the principal reasons for its rulemaking action. No such explanation has been provided in this rulemaking. [*Please note:* At the time of the writing of these comments, a fiscal analysis of the impact of these proposed rules, to be prepared by the Legislative Fiscal Bureau, was not yet available.]

Ann E. Mowery, PhD

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Before closing, IMS would like to encourage IBM consideration of the suggestion made by Charles Hesse, MD, in his letter of comment dated September 16, 2007. He asks the IBM to consider a lower fee for licensure renewal for those physicians who maintain active licensure solely for purposes of serving in a medical volunteer capacity.

Thank you for the opportunity to comment. We are pleased to visit further regarding any aspect of the comments that we have made in opposition to this rulemaking's proposed fee increases. We intend to be present at the October 30 public hearing.

Yours truly,

A handwritten signature in cursive script that reads "Jeanine Freeman".

Jeanine Freeman, JD
Senior Vice President of Legal Affairs

cc: Michael Abrams