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TO: The Honorable Norman H. Conway, Chairman
Members, House Appropriations Committee
The Honorable Joseph Boteler

FROM: Joseph A. Schwartz, III
Pamela Metz Kasemeyer
J. Steven Wise

DATE: March 11, 2010

RE: **SUPPORT** – House Bill 1357 – *Professional Boards – Transfer of Funds - Repayment*

The Maryland State Medical Society (MedChi), which represents over 7,300 Maryland physicians and their patients, supports House Bill 1357.

House Bill 1357 prohibits the monies in a “professional fund” from being transferred to the State’s General Fund. Professional funds consist of license fees, fines and the like collected from members of a profession, such as physicians. The bill permits the General Assembly to authorize such a transfer if it goes to a purpose related to the profession and if the Governor appropriates money the following year to replace the funds.

MedChi supports this legislation for two reasons. First, it is the rightful expectation of physicians that their license fees, among the highest in the country, will be used to regulate the practice of medicine through the Board of Physicians and its staff. When these funds are transferred, as has occurred this year via the Budget Reconciliation and Financing Act, the Board’s resources are diminished considerably and it is unable to properly perform its function. Indeed, these funds were to be used to hire additional staff to reduce the backlog of cases pending before the Board—an issue the General Assembly has spent many hours trying to resolve – but the State hiring freeze prevented that action. The backlog now persists and the funding is gone.

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Second, if these “surplus” funds are not to be used for their intended purpose, the money should be returned to the licensees who paid into the fund. These are not general tax dollars that were paid by physicians and they should not be treated as such. They are license fees paid for a specific purpose. At a minimum, if the funds are to be raided it should be mandated that they be replenished, as House Bill 1357 requires.

For these reasons, MedChi supports this legislation.

For more information call:

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