

MAINE STATE LEGISLATURE

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**DECEMBER 1, 1998
DRAFT STRATEGIC PLAN
FOR THE AFFILIATED BOARDS OF THE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL
REGULATION**

AFFILIATED BOARDS

Maine State Board of Nursing

Maine Board of Optometry

Board of Dental Examiners

Board of Osteopathic Licensure

Board of Registration for Professional Engineers

Board of Licensure of Medicine



ANGUS S. KING, JR.
GOVERNOR

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
35 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0035

S. CATHERINE LONGLEY
COMMISSIONER

December 1, 1998

Joint Standing Committee on Business and Economic Development
C/O Carrie McFadden, Legislative Analyst
Room 120B - State House
Augusta, Maine 04333

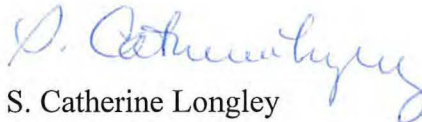
Dear Carrie:

In accordance with Public Law 1997, chapter 764, I am herewith submitting a copy of the draft strategic plan for the Department of Professional and Financial Regulation dated December 1, 1998. In addition, I am forwarding copies of the draft strategic plans prepared by this Department's six Affiliated Boards.

Over the coming year, as we endeavor to finalize our plan, I welcome any suggestions from the members of the Business and Economic Development Committee. We are committed to creating a strategic plan, which not only describes our goals and objectives but also provides a meaningful set of measurements.

If you have any questions or comments with respect to the enclosed plan, please feel free to contact me at your convenience.

Sincerely,


S. Catherine Longley
Commissioner

SCL/ac

Enclosure



PRINTED ON RECYCLED PAPER

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122 NORTHERN AVENUE, GARDINER, MAINE

MAINE STATE BOARD OF NURSING

DEPARTMENT: Professional and Financial Regulation

FUND: 014-02N-0372-012

GOAL: To ensure high professional standards within the nursing profession in order to protect the health and safety of the public.

OBJECTIVE: Reduce the number of disciplinary actions of the Board from 'x' in 1999 to 'y' in 2001.

PROGRAM – STRATEGY: License, educate and monitor through the establishment of appropriated rates and standards for the nursing profession.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of nurses licensed	9,282	9,100
2. number of disciplinary actions	18	25
3. number of licenses revoked	1	3
4. number new licenses issued	1,424	1,448
5. number of complaints	152	195

MAINE BOARD OF OPTOMETRY

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02B-0385-012

GOAL: To make rules and regulations which govern the lawful practice of Optometry which shall ensure that the public is served by competent Optometrists.

OBJECTIVE: Improve the standards of the profession of Optometry by monitoring the continuing education courses utilized by the Optometrists of this State.

PROGRAM – STRATEGY: To have contact with State, Regional and National Boards to obtain information on continuing education courses provided.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of courses provided by State, Regional and National meetings		
2. number catg. 1, Diag/Treat of ocular dis. & prac. mgmt. courses available		
3. number of above courses utilized by each Maine Optometrist		
4. number of extension requests to fulfill CE requirements		
5. number of disciplinary actions		
6. number of licenses revoked		

BOARD OF DENTAL EXAMINERS

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02D-0384-012

GOAL: To ensure high professional standards within the Dental profession in order to protect the health and safety of the public.

OBJECTIVE: License only those practitioners who are qualified by education and qualifying exams and to provide a forum for all complaints of a dental nature.

PROGRAM – STRATEGY: To verify the credentials of all its licensees and applicants and to process all complaints fairly and expeditiously.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of licensees	2,850	
2. number of new licensees	181	
3. number of complaints	52	
4. number of disciplinary actions	15	

BOARD OF OSTEOPATHIC LICENSURE

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02C-0383-012

GOAL: To ensure high professional standards within the osteopathic profession in order to protect the health and safety of the public.

OBJECTIVE: To protect the citizens of Maine from those licensees who have violated the standards of professional conduct and from those who do not perform within acceptable standards.

PROGRAM – STRATEGY: Ensure that each licensee adheres to the law regarding Continuing Medical Education thus ascertaining that he/she is aware of the current standards of professional conduct and has the knowledge to perform within acceptable standards.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of licensed osteopathic physicians	555	620
2. number of disciplinary actions	11	7
3. number of licenses issued	28	65
4. number of complaints received	26	24
5. number of other licenses granted	77	83

BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02E-0369-012

GOAL: Ensure the high professional standards of the practice of engineering to safeguard the life, health, and property of the citizens of Maine.

OBJECTIVE: To increase the percentage of registered professional engineers in the population of engineers in Maine from 30% to 40% by 2002.

PROGRAM – STRATEGY: Review qualifications of applicants to insure compliance with the statutes and the Board's rules, examine applicants with national written examinations, and monitor for violations of statutes and the Board's rules.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of applications processed		
2. number of Fundamentals of Engineering examinations given		
3. number of Principals and Practices of Engineering examinations given		
4. number of professional registrations granted		
5. number of registrants on the roster		
6. number of complaints against registrants handled		
7. number of cases for unlicensed practice handled		

BOARD OF LICENSURE IN MEDICINE

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02M-0376-012

GOAL: To safeguard the health, welfare, safety, and lives of the people of Maine by ensuring that the public is served by competent and honest physicians and physician assistants.

OBJECTIVE: By June, 2000, increase to 90 % the number of complaints initially heard by the Board within 3 months of receipt.

PROGRAM – STRATEGY: Administer a statewide program to ensure that the public is served by physicians and physician assistants who demonstrate acceptable levels of competency and professionalism.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of licensees	5,032	5,032
2. number of new licenses	260	260
3. number of other licenses issued	167	170
4. number of complaints received	141	153



DECEMBER 1, 1998 DRAFT STRATEGIC PLAN

DEPARTMENTAL AGENCIES

Commissioner's Office

Bureau of Banking

Office of Consumer Credit Regulation

Bureau of Insurance

Office of Licensing and Registration

Board of Accountancy
Board of Alcohol & Drug Counselors
Arborist Examining Board
Board for Licensure of Architects, Landscape
Architects & Interior Designers
Maine Athletic Commission
Board of Licensing of Auctioneers
Board of Barbering and Cosmetology
Board of Chiropractic Licensure
Board of Complimentary Health Care Providers
Board of Counseling Professionals Licensure
Board of Dietetic Practice
Electricians' Examining Board
Board of Licensure for Professional Foresters
Board of Funeral Service
Board of Certification for Geologists
& Soil Scientists
Board of Hearing Aid Dealers & Fitters
Board of Licensure for Professional Land Surveyors
Manufactured Housing Board
Nursing Home Administrators Licensing Board
Board of Occupational Therapy Practice
Oil & Solid Fuel Board

Board of Commissioners of the Profession of
Pharmacy
Board of Examiners in Physical Therapy
Maine State Pilotage Commission
Plumbers' Examining Board
Board of Licensure of Podiatric Medicine
Propane & Natural Gas Board
Board of Examiners of Psychologists
Radiologic Technology Board of Examiners
Board of Real Estate Appraisers
Real Estate Commission
Board of Respiratory Care Practitioners
Board of Social Worker Licensure
Board of Examiners on Speech Pathology &
Audiology
Board of Veterinary Medicine

Licensing/Registrations (no regulatory board):
Athletic Trainers (licensing)
Charitable Solicitations (registration)
Door-to-Door Home Repair (registration)
Itinerant Vendors (registration)
Massage Therapists (licensing)

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MISSION STATEMENT

The mission of the Department of Professional and Financial Regulation is to encourage sound, ethical business practices through high quality, impartial and efficient regulation of insurers, financial institutions, creditors and numerous professions and occupations for the purpose of protecting the citizens of Maine.

ANALYSIS OF ENVIRONMENT

Internal Environment

The Department is a conglomerate of professional and financial regulatory entities, hence the title "Department of Professional and Financial Regulation." The Department is located at 122 Northern Avenue, Gardiner, Maine, in an office building known as the "Gardiner Annex."

Department Purpose. The Department of Professional and Financial Regulation serves the public by regulating: state-chartered financial institutions and bank holding companies, insurance companies, agencies and producers, grantors of consumer credit, and over forty professions and occupations. The Department protects Maine consumers through its licensing, examination and regulatory activities; by conducting programs aimed at increasing voluntary compliance with State laws; by investigating possible violations of law; and by undertaking enforcement actions. The Department also responds to consumer complaints and requests for information, and conducts educational and outreach programs to make consumers aware of their rights and responsibilities under Maine laws. The Department is committed to competent, impartial and efficient regulation, in order to foster the development of healthy, and financially sound businesses.

Department Evolution. The Department was created as the Department of Business Regulation in 1973, as part of a reorganization of State government designed to consolidate related agencies along functional lines and strengthen executive direction. The Department's name was changed to Professional and Financial Regulation in 1987. The Administrative Services Division, which is now part of the Commissioner's Office, was established by the Commissioner in 1974 to provide administrative support to the agencies within the Department.

The Special Session of the 106th Legislature established the Bureau of Consumer Credit Protection, to enforce the Maine Consumer Credit Code, which became effective January 1, 1975. Effective January 1, 1996, The Bureau became the Office of Consumer Credit Regulation.

A mere 4 boards and commissions were transferred into the Department at the time of its creation in 1973. Since that time, through the transfer of existing boards and the creation of new ones, over 40 professional and occupational licensing boards, commissions and registrations are within the Department's Office of Licensing and Registration, or are affiliated with the Department. That Office, originally established by the 107th Legislature as the Central Licensing Division, now boasts a licensing section with an electronic licensing system capable of handling all of the licensing functions for the Department and several outside agencies.

Organizational Structure. The department's administrative head is the Commissioner. The Commissioner's Office contains the Administrative and Information Systems Support units. There are two Bureaus headed by superintendents, the Bureau of Banking and the Bureau of Insurance. The superintendents maintain regulatory authority within their respective areas, while the Commissioner retains administrative, personnel and budgetary authority, and serves as the Department's policy liaison to the Governor. There are also two Offices within the Department, the Office of Consumer Credit Protection, and the Office of Licensing and Registration. The latter provides administrative support to 35 regulatory boards and conducts 5 registration functions. Six professional licensing boards are also "affiliated" with the Department, but are not located physically within the Department.

Size and Composition. The Department is relatively small compared to other Cabinet level agencies, employing a total of 210 persons. Due to the complex nature of our regulation, the Department has a high number of professional and technical employees, including attorneys, CPAs, actuaries, and licensed inspectors. The Department employs approximately 45 financial examiners and professional regulatory board inspectors who work primarily "in the field." The Department is dedicated to continuing professional education, and staff development and training. The Department has a highly motivated staff dedicated to quality regulation and public service.

Fiscal. The Department is funded entirely from dedicated revenue sources. This means that each entity within the Department is funded by assessments, volume fees, and/or license or filing fees, paid by the industries or individuals being regulated. The Department receives no general fund revenue, but contributes substantial amounts to the general fund through every agency's "STACAP" (State Cost Allocation Plan) assessment as well as through the securities division's registration and licensing fees.

Technical and Equipment. The Department strives to utilize technology to its fullest extent, to aid in its regulation of entities and individuals and improve communications with customers. The Information Systems Support unit maintains servers and services, writes specialized programs, and supports and trains Department staff on personal computers and uniform software. The Department utilizes an advanced licensing database and remote communication services, in addition to maintaining an Internet home page which posts rules and regulations, proposed legislation, hearing notices and announcements.

External Environment

The Department regulates financial services companies, such as banks, insurance companies, providers of consumer credit, and securities firms, as well as employers (i.e. self-insurers), and various occupations and professions. The Department has surveyed and considered several key trends in the external environment that are affecting the industries and professions we regulate. Discussion of these external influences and trends is found below:

General Economic Trends. The financial services industry and the occupations regulated by the Department are dependent upon Maine-based markets, and their success and growth are linked to the overall health of the Maine economy. However, certain large Maine companies are greatly influenced by the national and international economy. The general economic outlook for these sectors in Maine is for modest growth opportunities for the balance of the decade, which is consistent with the State's general economic forecast.

General Demographic Trends. The most significant demographic trend in the U.S. is the aging of the population as the so called "baby boom" generation moves through life. This trend has significant implications for the product mix of the financial services industry. As the population ages, consumer demand will increase for savings and investment products, such as certificates of deposit, mutual funds, annuities, retirement accounts, securities, etc., while demand for loan products will be relatively low.

These trends have several implications for the Department. As demand for investment products increases, the number of licensees and company licenses will likely increase as well. Demand will encourage product innovation in the financial services industry, creating new and more complex consumer disclosure and protection issues for the public. The potential for increased credit risk will likely challenge bank and insurance regulators in the early part of the next decade.

Industry Consolidation. The financial services industry, much of which is regulated by the Department, is undergoing a period of consolidation and homogenization, which is taking two distinct forms. First, consolidation among firms within specific industry sectors is likely to occur at an accelerated rate through the end this decade and will be particularly evident in the banking industry. Nationwide interstate branching has resulted in the consolidation of subsidiary banks into multi-bank holding companies and will encourage the merger of larger, regional and superregional banking holding companies. Consolidation will also occur in the insurance and securities industries, although it will be less significant as these industries historically have not been subject to the geographic restrictions common to the banking industry. There will also be increasing consolidation among industry segments. Insurance companies, banks

and securities dealers are offering many similar products that were once the exclusive domain of a single industry.

The challenge will be so great that significant structural changes in the organization of state and federal agencies regulating the various components of the financial services industry are inevitable.

In the health care field, the lines between insurers and health care providers are beginning to blur. As we move toward a system of managed care, new and creative partnerships between insurers and providers are developing. The Bureau of Insurance will be challenged to work with other state and federal agencies to develop a system of regulation and consumer protections adequate to address the emerging systems for the delivery of health care to Maine citizens. The creation of a new Consumer Health Care Division in the Bureau of Insurance is expected to aid consumers as they make health insurance purchasing decisions and to assist consumers with complaints against insurance companies and managed care organizations.

Regulatory Burden. The business community in Maine and in much of the country is exhibiting a high degree of sensitivity to the burdens of regulation; small businesses, in particular, are very concerned about their ability to successfully cope with what they perceive to be a growth of government regulation and intervention in their business. While this Department and the State have a responsibility to "protect the public", there is a delicate balance to be struck between the protection of the most vulnerable (particularly the elderly and low income residents, of which Maine has a significant population) and the hard and soft dollar costs of regulation placed upon businesses, which are usually passed along and ultimately shared by all customers of those businesses. The current state and national trend has been to decrease regulatory burden in an effort to provide some relief, particularly to small businesses, and to help attract and stimulate the growth of existing and new business enterprises. The Department hopes to balance the trend toward deregulation with the need for better education and training of its regulated entities.

Technology. The rate of change experienced by regulated businesses in many respects is dictated by the impact of technology on the business and/or its customers. Improved telecommunications, access to the Internet and utilization of advanced computer technology in design, production and control functions can radically alter not only how a company does business, but also the products and services it offers, as well as the scope of the markets it serves. It becomes critical for regulatory agencies to keep abreast of these technological changes to effectively and efficiently regulate these industries.

Consumer Trends. Consumers are now exhibiting a greater desire for accessibility to services; probably driven by a more active lifestyle and increased work hours

for most adult members of the family. Businesses are striving to make services more convenient and accessible; regulators must be responsive to the needs of consumers as well. Application forms, consumer educational materials and complaint resolution information can be made more available by regulatory agencies through electronic means.

The Department's mission of public information and protection is expected to remain essential with the changing demography of Maine's population, the development of more complex services and automated delivery systems, as well as increased competition, particularly in the financial services sector. Consumers may have less time to study and evaluate new product offerings and may become more reliant upon the State to screen products offered and to resolve complaints and misunderstandings when they occur.

BUREAU OF BANKING

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02A-0093-012

GOAL: To assure the strength, stability and efficiency of all financial institutions for the benefit of Maine consumers and businesses.

OBJECTIVE: To reduce the number of violations of the Maine Banking Code and the Maine Consumer Credit Code and ensure that Maine financial institutions are operated in a safe and sound manner.

PROGRAM – STRATEGY: Regulate the activities, operations, and procedures of financial institutions through examinations, investigatory processes, and enforcement.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of examinations	64	43
2. number of complaints	1,282	1,300
3. number of consumer credit violations (previous calendar yr.)	77	N/A
4. number of financial institutions	47	49
5. number of applications processed	9	8
6. dollar value recovered for consumers	224,000	150,000

OFFICE OF THE COMMISSIONER

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02A-0094-012

GOAL: Provide coordinated administrative services to ensure efficient operation of the Department.

OBJECTIVE: Reduce the number of administrative transactions by 5% from 1999 to 2001.

PROGRAM – STRATEGY: Provide assistance to the Commissioner and the Department in civil service matters, budgeting and financial matters, procurement and technical support.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of personnel transactions	550	650
2. number of financial expense transactions	7,759	6,736
3. number of revenue transactions	1,376	1,612
4. number of hours of computer downtime	2	2

OFFICE OF CONSUMER CREDIT REGULATION

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02A-0091-012

GOAL: Protect consumers of Maine from unfair and deceptive practices with respect to consumer credit and collections

OBJECTIVE: Reduce the number of violations of the Consumer Credit Code and related laws.

PROGRAM – STRATEGY: Regulate consumer credit, collection and related transactions through investigations, compliance examinations, and enforcement.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of companies licensed or registered	Licensed – 613 Registered – 1,102	Licensed – 600 est. Registered – 1,100 est.
2. number of compliance examinations conducted	In house – 92 On site – 223	In house – 100 On site – 215
3. number of consumer complaints received	Written – 219 Phone/Other – 2,495	Written – 200 Phone/Other – 2,500
4. \$ value recovered for consumers	\$499,927.09*	\$115,000
5. number of violations found	1,761	1,600
	*This figure was unusually high because of a single, large, retail reimbursement.	

BUREAU OF INSURANCE

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02A-0092-012

GOAL: To ensure the financial integrity of, and the fair practice by, all regulated parties for the benefit of Maine consumers.

OBJECTIVE: Reduce the number of violations of the Maine Insurance Code.

PROGRAM – STRATEGY: Regulate insurance companies, and other entities required by law, through licensing, examination, and enforcement.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of rate, rule and form filings reviewed	11,010	12,500
2. number of customer inquiries and complaints	9,650	9,600
3. field examination man hours	10,150	8,500
4. number of applications processed	112	115
5. number of financial reviews completed	250	265
6. number of hearings held	180	185

OFFICE OF LICENSING AND REGISTRATION

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02A-0352-012

GOAL: To ensure that regulated businesses, occupations and professions provide safe services to the public and conduct themselves in an ethical manner.

OBJECTIVE: Reduce the number of complaints and violations through examination, inspection and investigation.

PROGRAM – STRATEGY: To develop and enforce standards of practice and professional conduct to ensure that Maine consumers receive ethical, safe and competent service.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. number of complaints filed	485	500
2. number of inspections	31,283	32,833
3. number of registrations and licenses	86,599	88,000
4. number of disciplinary actions by consent/hearing	121	139
5. number of examinations administered	290	139

SECURITIES DIVISION – BUREAU OF BANKING

DEPARTMENT: Professional & Financial Regulation

FUND: 014-02A-0093-022

GOAL: Protect Maine consumers from fraudulent, deceptive and unethical practices in the securities business.

OBJECTIVE: Reduce the number of violations of the Revised Maine Securities Act, the Business Opportunity Law and the Maine Commodity Code.

PROGRAM – STRATEGY: Investigate and prosecute violations of the securities laws, the Business Opportunity Law, and the Maine Commodity Code; license qualified securities firms and professionals; and review filings for securities issuers and business opportunities seeking to sell in Maine.

PERFORMANCE MEASURES:

	FY 1998	FY 1999
1. amount of restitution, fines, and costs recovered	2,542,187	250,000
2. number and nature of enforcement cases pursued	17**	15
3. broker-dealer & investment adviser exams	8	15
4. ration of license applications approved to received	97%	97%
5. number of registration filings processed	12,360	12,000
	** 2 civil filed, 1 criminal conviction, 7 administrative orders, and 7 administrative agreements	