



# **Interstate Medical Licensure Compact**

## **FY 2019 Annual Report**

**Submitted by the Interstate Medical Licensure  
Compact Commission**

Timothy Terranova, Communications Committee Chair

Marschall Smith, Executive Director



# Interstate Medical Licensure Compact

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# Interstate Medical Licensure Compact

## Summary of Activity – July 2018 to June 2019

The Interstate Medical Licensure Compact Commission (IMLCC) experience an incredible period of growth and development during Fiscal Year 2019 (July 1, 2018 to June 30, 2019). During this time the application volume and number of licenses issued double over the previous fiscal year. The IMLCC completed and issued the audit reports from FY2017.

### Processing Volume

- 2,698 applications processed
- 3,980 licenses issued
- 2,216 licenses renewed

### Budget Report

The IMLCC FY2019 budget was approved at the May 18, 2018 meeting.

- IMLCC Operating Budget
  - Amount approved = \$491,900.00
  - Unaudited expenses = \$370,133.92
- IMLCC expenses paid by HRSA Grant
  - Amount available = \$313,000.00
  - Amount invoiced and paid = \$296,043.77
- IMLCC Revenue Budget
  - Estimated revenue = \$730,277.43
  - Unaudited revenue = \$945,376.40
- Member board fees
  - Unaudited amount invoiced and paid = \$2,488,284.48

### Executive Director Report

The year was marked by expansive growth, which has been seen as a resounding validation of the proof of concept. A significant amount of time and resources have been devoted to creating accountable standards and the infrastructure necessary to support the doubling volume of applications and revenue. The IT project manager and I continued the efforts refining the on-boarding process for new member boards; making it a 2-step process with orientation materials and user guides. The renewal process has been automated and the change to a new payment processor who is better able to handle an increasing payment volume was completed. The year's highlights include expanding of the IMLCC staff by a part-time administrative assistant in August 2018 to help with email inquiries and phone calls, and a part-time bookkeeper in April 2019 to help with tracking the revenue stream and recording expenses.



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## **States joining the IMLCC**

- Kentucky – December 2018
- North Dakota – January 2019
- Georgia – January 2019
- Oklahoma – January 2019
- Michigan – June 2019

## **2018 Annual Meeting**

The IMLCC held its third annual meeting in Denver, Colorado on November 16, 2018. The Commission elected Commissioner Simons (WI) as its chair, Commissioner Brunson (MS) as Vice Chair, and Commissioner Cousineau (NV) as Treasurer. The meeting included a rulemaking hearing, which amended IMLCC Rule, Chapter 4 and adopted IMLCC Rule, Chapters 6 and 7. The minutes from the meeting can be found on the IMLCC webpage.

## **Other IMLCC Meetings**

The Commission met in April 2019 to approve the FY2020 budget and elect Commissioner Martinez (MN) as Vice Chair following Commissioner Brunson's (MS) resignation. The Executive Committee met 16 times during the fiscal year and switched from meeting 2 times per month meeting once a month. There were 2 special meetings of the Executive Committee. Minutes from the meetings can be found on the IMLCC webpage.

## **Legal Action**

On March 28, 2019, the Commission took legal action against a member board, South Dakota Board of Medical & Osteopathic Examiners, in the U.S. District Court for the District of Colorado, Civil Action No. 1:19-cv-00924. The legal action was dismissed without prejudice in July 2019 after the matter was resolved.

## **Rulemaking and Policy Development**

The Commission made the following decisions regarding rules and policy development.

Rules adopted:

- IMLCC Rule, Chapter 4 – Amended November 16, 2018
- IMLCC Rule, Chapter 6 – Adopted November 16, 2018
- IMLCC Rule, Chapter 7 – Adopted November 16, 2018



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## Policies adopted:

- IMLCC Policy #5 – Policy on IMLCC Reserve Funds – Effective July 1, 2018
- IMLCC Policy #6 – Policy on Records and Information Requests – Effective September 18, 2018

## Advisory Opinions issued:

- IMLCC Advisory Opinion Number 07-2018 regarding physicians who are disciplined by non-member boards after a Letter of Qualification has been issued
- IMLCC Advisory Opinion Number 09-2018 regarding the qualification requirements to act as a State of Principal License and an explanation of the relationship between maintaining a State of Principal License and Letters of Qualification that have been issued

## **Outreach and Educational Activities**

The IMLCC Staff and Commissioners provided orientation training and onboarding instructions the following member boards:

- District of Columbia Board of Medicine
- Georgia Composite Medical Board
- Kentucky Board of Medical Licensure
- Maryland Board of Physicians
- Michigan Department of Licensing and Regulatory Affairs
- North Dakota Board of Medical Examiners
- Oklahoma Medical Board
- Oklahoma State Board of Osteopathic Examiners
- Pennsylvania State Board of Osteopathic Medicine
- Pennsylvania State Board of Medicine
- Tennessee Board of Osteopathic Examination
- Tennessee Board of Medical Examiners
- Territory of Guam Board of Medical Examiners

The IMLCC staff participated in the following outreach and educational activities during FY2019:

- Conference Call with the American Telemedicine Association – July 2018
- Gundersen Health Monthly Conference Calls – July 2018 to June 2019
- IMLCC Licensing Staff Monthly Conference Calls – July 2018 June 2019
- FSMB Webinar – September 2018
- Presentation at Administrators in Medicine (AIM) Conference – October 2018
- Presentation at Council of State Governments (CSG) Summit of the States – December 2018



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- Presentation at the Indiana Compact Learning Lab – December 2018
- Provided testimony to South Carolina Legislature on a bill to join the IMLCC – February 2019
- Presentation to the Louisiana State Board of Medical Examiners – February 2019
- Provided information to the New Mexico Legislature on a bill to join the IMLCC – February 2019
- On-site visit with the Nevada State Board of Medical Examiners – February 2019
- Provided testimony to the North Dakota Legislature on a bill to join the IMLCC – March 2019
- Provided testimony to the Florida Legislature on a bill to join the IMLCC – March 2019
- Presentation to the Association of Independent Medical Software Value Added Resellers (AIMSVAR) – March 2019
- Worked with the Florida Office of Program Policy Analysis and Government Accountability – April 2019 to June 2019
- Presented at the Federation of State Medical Boards (FSMB) – April 2019



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## Minutes – November 16, 2018 IMLCC Annual Meeting

### INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION

November 16, 2018

#### MEETING MINUTES

#### Call to Order

*Chairman Shepard (WV)*

The Interstate Medical Licensure Compact Commission convened at approximately 12:02 PM, EST via conference call.

#### Roll Call

*Secretary Smith*

The roll was called, and a quorum was established.

#### Amendment of the Agenda

*Chairman Shepard (WV)*

A request was made to amend the agenda by changing the order that the officers will be elected to 1) Chair, 2) Vice Chair, and 3) Treasurer.

MOTION

MOVED BY COMMISSIONER MCCLENDON (MS), SECONDED BY COMMISSIONER BOHNENBLUST (WY), TO AMEND THE AGENDA.

MOTION PASSED

UNANIMOUS

#### Approval of the Agenda

*Chairman Shepard (WV)*

The agenda, as amended, was presented for approval.

MOTION

MOVED BY COMMISSIONER MCCLENDON (MS), SECONDED BY COMMISSIONER BOHNENBLUST (WY), TO APPROVE THE AMENDED AGENDA.

MOTION PASSED

UNANIMOUS

#### Approval of the minutes

*Secretary Smith*

The minutes from May 18, 2018 meeting was provided to the members prior to the meeting for their consideration.

MOTION

MOVED BY COMMISSIONER BRUNSON (MS), SECONDED BY COMMISSIONER MARTINEZ (MN), TO APPROVE THE IMLCC COMMISSIONER MEETING MINUTES FROM MAY 18, 2018.

MOTION PASSED

UNANIMOUS

#### Chair Report

*Chairman Shepard (WV)*

The chair started her report thanking Commissioner Marsh (WA), Commissioner Bowden (IA), Commissioner Bohnenblust (WY), and Commissioner Lippert (KS) for their work and efforts to the benefit of the commission over the past year. An overview of the processing numbers and revenue from the prior fiscal year was provided. A discussion was held regarding forming a subcommittee to develop a



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strategic plan for the Compact.

## MOTION

MOVED BY COMMISSIONER BOHNENBLUST (WY), SECONDED BY COMMISSIONER SPANGLER (WV), TO DIRECT THE INCOMING CHAIR TO FORM AN AD HOC GROUP TO DEVELOP A STRATEGIC PLAN FOR THE COMMISSION, AS SOON AS PRACTICAL BUT WITH AN ESTABLISHED PUBLICATION DATE OF NO LATER THAN THE END OF FY2020.

## MOTION PASSED

UNANIMOUS

### ILMCC Attorney Update *Rick Masters*

- The proposed Rules have been reviewed and are within the authority of the Commissioners to consider.
- The Advisory Opinions issued were reviewed and provide instructions the member boards.
- Requests for presentations about the Compact continue from both professional groups and legislative staff.

### Executive Director's Report *Executive Director Smith*

- A written report was provided which highlighted the changes in personnel, the processing volume, and the revenue stream and expenses.
- A question was asked about the IMLCC website with the expressed desire to make it more interactive. Communications Committee place on its agenda in the upcoming year to review of the webpage and provide suggestions to the Technology Committee.
- The audit process continues to be refined and the Audit Committee will continue its work with the Executive Director to implement a regular schedule for audits to correspond with the Commission's fiscal calendar.

### FSMB Update *Lisa Robins, FSMB*

- A written report was provided and shared with the Commissioners.

### Audit Committee Report *Commissioner Simons (WI)*

The final audit of Fiscal Year 2017 is expected to be released at the end of November. Once the audit is finalized, it will be made available on the IMLCC webpage.

### Treasurer's Report *Executive Director Smith*

- A balance sheet and Profit and Loss Statement for FY2017 and an unaudited report of revenues and expenses for the FY2018 (complete) and FY2019 (partial) were presented to the Commissioners.
- A question was asked about the substantial amount due to member boards and the reimbursement process. The IMLCC currently operates on a "cash basis" and relies on the member board submitting an invoice to the Commission to be reimbursed for the fees collected and owed. The payment of the invoices is a high





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priority and as of the date of the meeting all submitted invoices had been paid. Member boards submit their invoices according to their own schedule. Changing the invoice process to one where the Compact sends invoices to the member boards is a priority to be incorporated into the new data management system.

## Communications Committee Report

*Commissioner Marquand (MT)*

- The committee has finalized the New Commissioner Handbook, which will be sent to Commissioners as they are appointed with the goal of providing the new commissioner an orientation to the Commission and expectations of them in the role.
- The Facts and FAQ tabs on the IMLCC webpage have been reviewed and updated.
- IMLCC Policy #6 on Records and Information Requests was approved by the Executive Committee and will be posted to the IMLCC webpage.
- The committee intends to focus on 6 areas in the upcoming year:
  - Review of the IMLCC webpage
  - Review member board webpages
  - Developing tools to increase communication, including newsletters and training videos
  - Implementing a New Commissioner meeting to take place at the 2019 annual meeting
  - Exploring a mentor program of new member board staff to interact and share best practices
  - Find more ways for the Commission to “Tell Our Story” and share positive impacts of the work that the Commission and its member board do every day.
- The IMLCC Annual Report 2018 has been published and is on the IMLCC webpage, work on the Annual report 2019 continues.

## Personnel Committee Report

*Commissioner McSorley (AZ)*

- The committee is re-evaluating the staffing needs.
- Next steps:
  - Creating and maintaining an organizational chart.
  - Finalize the Appraisal and Evaluation form to be used to evaluate IMLCC staff.
  - Conduct a performance evaluation of the Executive Director and the Operations Director.
- Questions were raised about the IMLCC process of using independent contractors for the Executive Director and Project Manager.
- Discussion was held about whether a job description should be developed or a statement of work. Creating a position of Licensing Analyst/Specialist was suggested and discussed. A decision on creating this position will be considered by the committee.



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**Bylaws and Rules Committee**  
**Report**  
*Commissioner Martinez (MN)*

- Commissioner Martinez led a discussion of how future amendments to rules should be made and the best method to involve a broad level of participation. Work continues in clarifying terminology, finding a mechanism to recognize and include in the discussion the state's different rules and the impact of the IMLCC Rules on the states. The committee will work the Technology Committee in developing the data sharing of investigations and reporting of disciplinary actions.
- The committee has completed work on several proposed rules developed in accordance with the IMLCC Statute and Rules. The three (3) proposals were presented individually and a discussion was held for each. The proposals were: Amend IMLCC Rule, Chapter 4, paragraph 4.4; Adopt and create IMLCC Rule, Chapter 6; and Adopt and create IMLCC Rule, Chapter 7.

**MOTION #1**

MOVED BY THE BYLAWS AND RULES COMMITTEE, A MOTION BY THE COMMITTEE DOES NOT REQUIRE A SECOND, TO AMEND IMLCC RULE - CHAPTER 4 - STATE OF PRINCIPAL LICENSE BY ADDING SUBPARAGRAPH (a)(4) TO PARAGRAPH 4.4 - REDESIGNATION OF THE STATE OF PRINCIPAL LICENSE.

**MOTION PASSED**

UNANIMOUS

**MOTION #2**

MOVED BY COMMISSIONER MCCLENDON (MS) AND SECONDED BY COMMISSIONER FIEST (MT) TO TABLE CONSIDERATION OF IMLCC RULE - CHAPTER 6 - COORDINATED INFORMATION SYSTEM, JOINT INVESTIGATION AND DISCIPLINARY ACTIONS

**MOTION WITHDRAWN**

WHEN COMMISSIONER FIEST WITHDREW HIS SECOND

**ADMINISTRATIVE NOTE**

Control of the meeting was transitioned from the IMLCC Chair to the IMLCC Vice Chair for the remainder of the meeting.

**MOTION #3**

MOVED BY COMMISSIONER LANDAU (AZ) TO DELETE IMLCC RULE - CHAPTER 6 - PARAGRAPH 6.4(G).

**MOTION FAILED**

FOR A LACK OF A SECOND

**MOTION #4**

MOVED BY THE BYLAWS AND RULES COMMITTEE, A MOTION BY THE COMMITTEE DOES NOT REQUIRE A SECOND, TO CREATE AND ADOPT IMLCC RULE - CHAPTER 6 - COORDINATED INFORMATION SYSTEM, JOINT INVESTIGATION AND DISCIPLINARY ACTIONS

**MOTION PASSED**

WITH A NO VOTE FROM COMMISSIONERS LANDAU (AZ), ZANOLLI (TN), TERRANOVA (ME), JUDD (TN), SPANGLER (WV)



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ABSTAINING FROM THE VOTE WERE COMMISSIONERS SCHNEIDER (IL), ZACHARIAH (IL), MCSORLEY (AZ), CUSHMAN (NE), AND LAU (WI).

MOTION #5

MOVED BY THE BYLAWS AND RULES COMMITTEE, A MOTION BY THE COMMITTEE DOES NOT REQUIRE A SECOND, TO CREATE AND ADOPT IMLCC RULE - CHAPTER 7 - COMPLIANCE AND ENFORCEMENT

FRIENDLY AMENDMENT TO MOTION #5

WITHOUT OBJECTION FROM THE BYLAWS AND RULES COMMITTEE, AN AMENDMENT WAS MADE BY COMMISSIONER TERRANOVA (ME) TO THE PROPOSED RULE TO PARAGRAPH 7.2(1) REPLACING THE WORD “RESOLVED” WITH “MEDIATED”

ADMINISTRATIVE CORRECTION TO MOTION #5

PARAGRAPH 7.2(5) WAS ADMINISTRATIVELY CORRECTED DURING THE DISCUSSION SO THAT IT ACCURATLY REFLECTED THE LANGUAGE PROVIDED IN THE NOTICE TO THE PUBLIC. THE DOCUMENT PROVIDED AT THIS MEETING HAD A TYPOGRAPHICAL ERROR WHERE PARAGRAPH 7.2(4) WAS REPEATED AS PARAGRAPH 7.2(5). PARAGRAPH 7.2(5) WAS NOTICED TO THE PUBLIC WITH THE LANGUAGE - “THE EXECUTIVE COMMITTEE OF THE INTERSTATE COMMISSION SHALL MAKE A RECOMMENDATION TO RESOLVE THE ISSUE TO THE PARTIES.”

MOTION PASSED

UNANIMOUS

**Election of Officers**  
*Executive Director Smith*

Elections for the officers of the Commission were held in accordance with IMLCC Bylaws, Article III, Section 1. A call for nominations was held for each position, discussion held, nominations were then closed, and the nominations voted on by the members as separate actions.

CHAIR

Commissioner Lawler (ID) nominated Commissioner Simons (WI) to the position of IMLCC Chair. The nomination was accepted, and discussion held. No other nominations were put forward

MOTION

MOVED BY COMMISSIONER LANDAU (AZ), SECONDED BY COMMISSIONER ZANOLLI (TN) TO CLOSE NOMINATIONS.

MOTION PASSED

UNANIMOUS

VOTE

BY ACCLAMATION COMMISSIONER SIMONS (WI) WAS ELECTED TO THE POSITION OF CHAIR.

VICE CHAIR

Commissioner McClendon (MS) nominated Commissioner Brunson (MS) to the position of IMLCC Vice Chair. The nomination was accepted, and discussion held. No other nominations were put forward

MOTION

MOVED BY COMMISSIONER FIEST (MT), SECONDED BY COMMISSIONER MARTINEZ (MN) TO CLOSE NOMINATIONS.



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MOTION PASSED

UNANIMOUS

VOTE

BY ACCLAMATION COMMISSIONER BRUNSON (MS) WAS ELECTED TO THE POSITION OF VICE CHAIR.

TREASURER

Commissioner Martinez (MN) nominated Commissioner Cousineau (NV) to the position of IMLCC Treasurer. The nomination was accepted, and discussion held. No other nominations were put forward

MOTION

MOVED BY COMMISSIONER LANDAU (AZ), SECONDED BY COMMISSIONER CUSHMAN (NE) TO CLOSE NOMINATIONS.

MOTION PASSED

UNANIMOUS

VOTE

BY ACCLAMATION COMMISSIONER COUSINEAU (NV) WAS ELECTED TO THE POSITION OF TREASURER.

## IMLCC 2019 Annual meeting location

*Executive Director Smith*

The Commissioners from Alabama, Arizona, Nevada, and Wisconsin offered to host the 2019 Annual meeting. The Commissioners were provided ballots to vote on the preferred location. After counting the ballots; it was determined that a majority of the votes were to hold the 2019 Annual meeting in Las Vegas, Nevada with the Nevada State Board of Osteopathic Medicine as the host.

## Technology Committee Report *Commissioner Bohnenblust (WY)*

An overview of the implementation process for the Data Management System proposal was provided including a discussion of work completed to date. System and data security are the primary focus where penetration and vulnerability testing must be completed before implementation can begin.

## Correspondence and Miscellaneous business

*Vice Chair Bohnenblust (WY)*

Amber Dennis, Licensing Manager at CompHealth, provided a document and presented to the Commission. The presentation shared CompHealth's impression of using the expedited process and how the process has impacted physician's ability to obtain multiple licenses and the increased number of patients that were able to be seen as a result.

## Public Comments

*Vice Chair Bohnenblust (WY)*

None

## Adjournment

*Vice Chair Bohnenblust (WY)*

There being no further business, the meeting was adjourned at approximately 5:18 PM Eastern Time.



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## Roster of Commissioners – October 2019

<p><b>ALABAMA</b></p> 	<p><b>Commissioner Patrick J. O’Neill, MD</b> <i>Budget Committee Member</i></p>	<p><b>Commissioner Karen Silas</b> <i>Audit Committee Member</i></p>
<p><b>ARIZONA</b></p> 	<p><b>Commissioner Jerry Landau</b> <i>Rules &amp; Administrative Procedures Committee Member</i></p>	<p><b>Commissioner Patricia McSorley</b> <i>Personnel Committee Chair Executive Committee Member</i></p>
<p><b>COLORADO</b></p> 	<p><b>Commissioner Donald Lefkowitz, MD</b> <i>Budget Committee Member</i></p>	<p><b>Commissioner Lorey Bratten</b> <i>Budget Committee Member</i></p>
<p><b>DISTRICT OF COLUMBIA</b></p> 	<p><b>Commissioner Frank Meyers, JD</b> <i>Committee Assignment Pending</i></p>	<p><b>Commissioner Vikisha Fripp, MD</b> <i>Committee Assignment Pending</i></p>
<p><b>GEORGIA</b></p> 	<p><b>Appointment Pending</b></p>	<p><b>Appointment Pending</b></p>




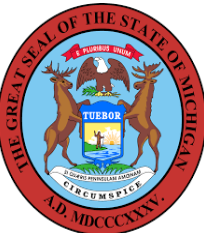


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<p><b>GUAM</b></p> 	<p><b>Commissioner Vinny Duenas, DO</b> <i>Communications Committee Member</i></p>	<p><b>Commissioner Kia Rahmani, MD</b> <i>Personnel Committee Member</i></p>
<p><b>IDAHO</b></p> 	<p><b>Commissioner Anne Lawler</b> <i>Technology Committee Member</i></p>	<p><b>Commissioner Erich W. Garland</b> <i>Rules &amp; Administrative Procedures Committee Member</i></p>
<p><b>ILLINOIS</b></p> 	<p><b>Commissioner Bryan Schneider</b> <i>Technology Committee Member</i></p>	<p><b>Commissioner Brian Zachariah</b> <i>Audit Committee Chair</i> <i>Executive Committee Member</i></p>
<p><b>IOWA</b></p> 	<p><b>Commissioner Mary Jo Romanco</b> <i>Communications Committee Member</i></p>	<p><b>Commissioner Warren Gall</b> <i>Rules &amp; Administrative Procedures Committee Member</i></p>
<p><b>KANSAS</b></p> 	<p><b>Commissioner Kathleen Lippert</b> <i>Personnel Committee Member</i></p>	<p><b>Commissioner Kim Templeton</b> <i>Audit Committee Member</i></p>



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<p><b>KENTUCKY</b></p> 	<p><b>Commissioner Michael S. Rodman</b></p> <p><i>Communications Committee Member</i></p>	<p><b>Commissioner Richard Whitehouse, Esq.</b></p> <p><i>Technology Committee Member</i></p>
<p><b>MAINE</b></p> 	<p><b>Commissioner Timothy (Tim) E. Terranova</b></p> <p><i>Communications Committee Chair</i> <i>Executive Committee Member</i></p>	<p><b>Commissioner Susan E. Strout</b></p> <p><i>Personnel Committee Member</i></p>
<p><b>MARYLAND</b></p> 	<p><b>Commissioner Christine A. Farrelly</b></p> <p><i>Rules &amp; Administrative Procedures Committee Chair</i> <i>Executive Committee Member</i></p>	<p><b>Commissioner Ellen Douglas Smith</b></p> <p><i>Budget Committee Member</i></p>
<p><b>MICHIGAN</b></p> 	<p><b>Commissioner Kim Gaedeke</b></p> <p><i>Technology Committee Member</i></p>	<p><b>Commissioner Michael Chafty, MD</b></p> <p><i>Personnel Committee Member</i></p>



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<p><b>MINNESOTA</b></p> 	<p><b>Commissioner Ruth Martinez</b></p> <p><i>IMLCC Vice Chair Executive Committee Member Rules &amp; Administrative Procedures Committee Member</i></p>	<p><b>Commissioner Patrick Townley, MD</b></p> <p><i>Rules &amp; Administrative Procedures Committee Member</i></p>
<p><b>MISSISSIPPI</b></p> 	<p><b>Commissioner Kenneth Cleveland, MD</b></p> <p><i>Technology Committee Member</i></p>	<p><b>Commissioner Wm. David McClendon, Jr., MD</b></p> <p><i>Personnel Committee Member</i></p>
<p><b>MONTANA</b></p> 	<p><b>Commissioner James Feist</b></p> <p><i>Budget Committee Member</i></p>	<p><b>Assignment Pending</b></p>
<p><b>NEBRASKA</b></p> 	<p><b>Commissioner Jesse Cushman</b></p> <p><i>Personnel Committee Member</i></p>	<p><b>Commissioner Todd Stull, MD</b></p> <p><i>Communications Committee Member</i></p>
<p><b>NEW HAMPSHIRE</b></p> 	<p><b>Commissioner Michael Barr, MD</b></p> <p><i>Technology Committee Member</i></p>	<p><b>Assignment Pending</b></p>





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<p><b>NEVADA</b></p> 	<p><b>Commissioner Edward Cousineau, JD</b></p> <p><i>IMLCC Treasurer Budget Committee Chair Executive Committee Member</i></p>	<p><b>Commissioner Sandy Reed</b></p> <p><i>Personnel Committee Member</i></p>
<p><b>NORTH DAKOTA</b></p> 	<p><b>Commissioner McDonald</b></p> <p><i>Technology Committee Member</i></p>	<p><b>Commissioner Nagala</b></p> <p><i>Budget Committee Member</i></p>
<p><b>OKLAHOMA</b></p> 	<p><b>Commissioner Pettigrew</b></p> <p><i>Committee Assignment Pending</i></p>	<p><b>Appointment Pending</b></p>
<p><b>PENNSYLVANIA</b></p> 	<p><b>Appointment Pending</b></p>	<p><b>Appointment Pending</b></p>






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<p><b>SOUTH DAKOTA</b></p> 	<p><b>Commissioner Margaret Hansen</b></p> <p><i>Rules &amp; Administrative Procedures Committee Member</i></p>	<p><b>Commissioner Elmo J. Rosario, MD</b></p> <p><i>Audit Committee Member</i></p>
<p><b>TENNESSEE</b></p> 	<p><b>Commissioner Angela Lawrence</b></p> <p><i>Audit Committee Member</i></p>	<p><b>Commissioner Penny Judd</b></p> <p><i>Budget Committee Member</i></p>
<p><b>UTAH</b></p> 	<p><b>Commissioner Larry Marx</b></p> <p><i>Rules &amp; Administrative Procedures Committee Member</i></p>	<p><b>Commissioner David L. Moulton, MD</b></p> <p><i>Communication Committee Member</i></p>
<p><b>VERMONT</b></p> 	<p><b>Appointment Pending</b></p>	<p><b>Appointment Pending</b></p>
<p><b>WASHINGTON</b></p> 	<p><b>Commissioner Melanie deLeon</b></p> <p><i>Audit Committee Member</i></p>	<p><b>Commissioner Lisa Galbraith, D.O.</b></p> <p><i>Audit Committee Member</i></p>



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<p><b>WEST VIRGINIA</b></p> 	<p><b>Commissioner Diana Shepard</b></p> <p><i>IMLCC Past Chair Executive Committee Member Personnel Committee Member</i></p>	<p><b>Commissioner Mark A. Spangler</b></p> <p><i>Communications Committee Member</i></p>
<p><b>WISCONSIN</b></p> 	<p><b>Commissioner Kenneth Simons, M.D.</b></p> <p><i>IMLCC Chair Executive Committee Member</i></p>	<p><b>Commissioner Lee Ann Lau, M.D.</b></p> <p><i>Technology Committee Member</i></p>
<p><b>WYOMING</b></p> 	<p><b>Commissioner Kevin Bohnenblust</b></p> <p><i>Technology Committee Chair Executive Committee Member</i></p>	<p><b>Commissioner Anne MacGuire</b></p> <p><i>Audit Committee Member</i></p>



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## Fiscal Year 2017 Audit Reports

### INTERSTATE MEDICAL LICENSURE COMPACT

#### COMMISSION FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION  
OF OCTOBER 27, 2015 THROUGH  
JUNE 30, 2017

### INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION TABLE OF CONTENTS FROM INCEPTION OF OCTOBER 27, 2015 THROUGH JUNE 30, 2017

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CliftonLarsonAllen

CliftonLarsonAllen LLC  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Interstate Medical Licensure Compact Commission  
Lakewood, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Interstate Medical Licensure Compact Commission, which are comprised of the statement of net position as of June 30, 2017, and the related statements of revenues, expenses and changes in net position, and cash flows for the period from inception (October 27, 2015) to June 30, 2017, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(1)



# Interstate Medical Licensure Compact

Board of Commissioners  
Interstate Medical Licensure Compact Commission

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Interstate Medical Licensure Compact Commission as of June 30, 2017, and the respective changes in financial position and cash flows for the period from inception (October 27, 2015) to June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
January 28, 2019

(2)



**\*\*Please note that this document was modified from the original. The modification was limited to the changing the font size of the document from Arial 11 to Arial 10 in order to fit onto the page.\*\***



# Interstate Medical Licensure Compact

INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION  
STATEMENT OF NET POSITION  
JUNE 30, 2017

## ASSETS

Current Assets:

Cash and Cash Equivalents	<u>\$ 153,843</u>
Total Current Assets	<u>153,843</u>
Total Assets	<u>153,843</u>

## LIABILITIES

Current Liabilities:

Accounts Payable	8,700
Due to State Boards	<u>79,000</u>
Total Current Liabilities	<u>87,700</u>
Total Liabilities	<u>87,700</u>

## NET POSITION

Unrestricted	<u>66,143</u>
Total Net Position	<u>\$ 66,143</u>

See accompanying Notes to Financial Statements

(3)



# Interstate Medical Licensure Compact

INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
FOR THE PERIOD FROM INCEPTION (OCTOBER 27, 2015)  
TO JUNE 30, 2017

**OPERATING REVENUES**

Licensing Fees	\$ 147,752
Total Operating Revenues	<u>147,752</u>

**OPERATING EXPENSES**

License Fees	97,675
Marketing	3,894
Bank Charges & Fees	4,483
Office Supplies	30
Other Operating	527
Total Operating Expenses	<u>106,609</u>

Net Operating Income	<u>41,143</u>
----------------------	---------------

**NONOPERATING REVENUES (EXPENSES)**

Intergovernmental Revenue	270,419
Intergovernmental Expenses	<u>(245,419)</u>
Total Nonoperating Revenues (Expenses)	<u>25,000</u>

**CHANGE IN NET POSITION**

66,143

Net Position – Beginning of Period	<u>-</u>
------------------------------------	----------

**NET POSITION – END OF YEAR**

\$ 66,143

*See accompanying Notes to Financial Statements*

(4)





# Interstate Medical Licensure Compact

INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM INCEPTION (OCTOBER 27, 2015)  
TO JUNE 30, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers and Users	\$ 147,752
Payments to Vendors and Customers	<u>(18,909)</u>
Net Cash Provided by Operating Activities	128,843
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Intergovernmental Grants	<u>25,000</u>
Net Cash Provided by Noncapital Financing Activities	25,000
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	153,843
Cash and Cash Equivalents - Beginning of Period	<u>-</u>
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>	<u>\$ 153,843</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>	
Operating Income	\$ 41,143
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Effect of Changes in Operating Assets and Liabilities:	
Accounts Payable	8,700
Due to State Boards	<u>79,000</u>
Total Adjustments	<u>87,700</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 128,843</u>

See accompanying Notes to Financial Statements

(5)



# Interstate Medical Licensure Compact

## INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION NOTES TO FINANCIAL STATEMENTS FROM INCEPTION (OCTOBER 27, 2015) TO JUNE 30, 2017

### **NOTE 1      REPORTING ENTITY**

The Interstate Medical Licensure Compact Commission (IMLCC) was established on October 27, 2015, pursuant to the terms of the Interstate Medical Licensure Compact (the Compact). IMLCC was established as a body corporate to fulfill the objectives of the Compact, through a means of joint cooperative action amount Member States to develop a comprehensive process that complements the existing licensing and regulatory authority of state medical boards, and provide a streamlined process that allows physicians to become licensed in multiple states, thereby enhancing the portability of a medical license and ensuring the safety of patients.

The IMLCC Membership is comprised as provided by the Compact. Each Member State is limited to two appointed voting representatives. The appointees are the Commissioners of the Member State. A detail listing of Member States and IMLCC Membership can be found at [IMLCC.org](http://IMLCC.org).

### **NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. IMLCC accounts for its operations as an enterprise fund. The significant accounting policies are described herein.

#### Measurement Focus, Basis of Accounting and Basis of Presentation

IMLCC's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred, regardless of the timing of related cash flows.

IMLCC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

(6)



# Interstate Medical Licensure Compact

## INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION NOTES TO FINANCIAL STATEMENTS FROM INCEPTION (OCTOBER 27, 2015) TO JUNE 30, 2017

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Due to State Boards

Due to State Boards represents the balance due at the end of the fiscal year to the State Board, for which a license was issued. For each application fee processed by IMLCC for the period of inception (October 27, 2015) to June 30, 2017, \$300 is remitted to the State Board for which a license was issued.

#### Net Position

Net position is classified in the following categories:

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulation of other governments and restriction imposed by law through constitutional provisions or enabling legislation. IMLCC had no items which were classified as restricted net position.

Unrestricted Net Position – This category represents the net position of IMLCC, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the IMLCC's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Revenue Recognition

Licensing fee revenues are derived from applications fees charged by IMLCC to physicians who are seeking to become licensed in a State that is a member of the Interstate Medical Licensure Compact. These charges are initially collected by the IMLCC and a portion is subsequent remitted to the individual State for which a license was issued. IMLCC recognizes the licensing fees as operating revenue on the accrual basis of accounting.

Intergovernmental revenues are received from the Federation of State Medical Boards (FSMB) Foundation. The Foundation provides support for projects associated with the Interstate Medical Licensure Compact. The purpose of the grant program is to support the Compact, its Commission, and state medical and osteopathic boards in their readiness to participate in the Compact. IMLCC recognizes the grant revenue as nonoperating revenue on the accrual basis of accounting.

### NOTE 3 CASH AND CASH EQUIVALENTS

IMLCC maintains all of its cash with one financial institution in accordance with IMLCC policies. The carrying amount of the deposit was \$153,843 and the bank balance was \$109,083 as of June 30, 2017. The full balance as of June 30, 2017 was covered by the Federal Depository Insurance Corporation (FDIC).

(7)



# Interstate Medical Licensure Compact

INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
FROM INCEPTION (OCTOBER 27, 2015) TO JUNE 30, 2017

## **NOTE 4 RELATED PARTY TRANSACTIONS – ON-BEHALF PAYMENTS**

For the period of inception (October 27, 2015) to June 30, 2017, IMLCC received on-behalf payments from the Federation of State Medical Boards (FSMB) in the amount of \$245,419. Payments consisted of expenses incurred for legal services, technology and other operating expenditures during the initial fiscal year for IMLCC. This balance is recorded within intergovernmental revenues and grant expenses on the Statement of Revenues, Expenses and Changes in Net Position.

## **NOTE 5 COMMITMENTS AND CONTINGENCIES**

IMLCC does not have any pending litigation or legal claims that would have a materially adverse effect on the financial position of IMLCC.

(8)



# Interstate Medical Licensure Compact



CliftonLarsonAllen

CliftonLarsonAllen LLC  
CLAAconnect.com

Board of Commissioners  
Interstate Medical Licensure Compact Commission  
Lakewood, Colorado

We have audited the Interstate Medical Licensure Compact Commission (IMLCC) financial statements, which are comprised of the statement of net position as of June 30, 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the period from inception (October 27, 2015) to June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2019. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant audit findings**

### ***Qualitative aspects of accounting practices***

#### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the IMLCC are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the period from inception (October 27, 2015) through June 30, 2017.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

#### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.



# Interstate Medical Licensure Compact

Board of Commissioners  
Interstate Medical Licensure Compact Commission  
Page 2

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

### ***Corrected misstatements***

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

### ***Disagreements with management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

### ***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated January 28, 2019.

### ***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

### ***Other audit findings or issues***

We have provided a separate letter to you dated January 28, 2019, communicating internal control related matters identified during the audit.



# Interstate Medical Licensure Compact

Board of Commissioners

Interstate Medical Licensure Compact Commission

Page 3

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

\* \* \*

This communication is intended solely for the information and use of the Board of Commissioners and management of the Interstate Medical Licensure Compact Commission and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
January 28, 2019





# Interstate Medical Licensure Compact

\*\*Please note that this document was modified from the original. The modification was limited to the changing the table sizes in order to fit onto the page.\*\*

## Interstate Medical Licensing Compact Commission

### Adjusting Journal Entry Report

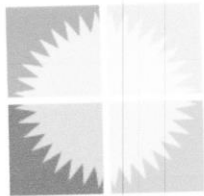
Year Ended June 30, 2017

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
Re-class the "PayPal deposit in transit" from an other asset account to the Chase Operating account.			
1001	Chase Bank	53,135	
1901	Undeposited Funds		53,135
<b>Total</b>		<b>\$ 53,135</b>	<b>\$ 53,135</b>
<b>Adjusting Journal Entries JE # 2</b>			
Audit adjustment to remove outstanding checks from the balance of accounts payable and credit cash for the outstanding checks as a reconciling item.			
2101	Accounts Payable (A/P)	8,375	
1001	Chase Bank		8,375
<b>Total</b>		<b>\$ 8,375</b>	<b>\$ 8,375</b>
<b>Adjusting Journal Entries JE # 3</b>			
Audit Adjustment to record expenses on the income statement for balance sheet payables that pertained to FY 2017 activity.			
5003	License Fees	85,450	
4002	Sales of Product Income		85,450
<b>Total</b>		<b>\$ 85,450</b>	<b>\$ 85,450</b>
<b>Adjusting Journal Entries JE # 4</b>			
Audit Adjustment to remove the portion of the NV & MT payable that was re-classed to an outstanding check and was accrued for in Acct. 2001 as well as 2112 & 2113.			
2112	Due to State Board:Montana	2,000	
2113	Due to State Board:Nevada	6,375	
4002	Sales of Product Income		8,375
<b>Total</b>		<b>\$ 8,375</b>	<b>\$ 8,375</b>
<b>Adjusting Journal Entries JE # 5</b>			
Entry to record on-behalf payments made by the Federation of State Medical Boards.			
5000 - CLA	Grant Expenditures - CLA Added	245,419	
4000 - CLA	Grant Revenue - CLA Added		245,419
<b>Total</b>		<b>\$ 245,419</b>	<b>\$ 245,419</b>





# Interstate Medical Licensure Compact



## Interstate Medical Licensure Compact

January 28, 2019

CliftonLarsonAllen LLP  
370 Interlocken Blvd, Suite 500  
Broomfield, Colorado 80021

This representation letter is provided in connection with your audit of the financial statements of the Interstate Medical Licensure Compact Commission (IMLCC), which are comprised of the statement of net position as of June 30, 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the period from inception (October 27, 2015) to June 30, 2017, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of January 28, 2019, the following representations made to you during your audit of the financial statements for the period of inception (October 27, 2015) to June 30, 2017.

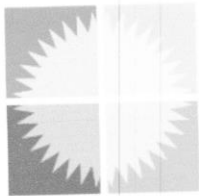
### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 30, 2018, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts

January 28, 2019  
CliftonLarsonAllen LLP  
Page 1



# Interstate Medical Licensure Compact



## Interstate Medical Licensure Compact

receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

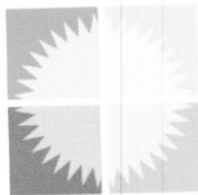
6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. You have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
8. We have not identified or been notified of any uncorrected financial statement misstatements.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
11. We believe that all material expenditures that have been deferred to future periods will be recoverable.

### Information Provided

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.



# Interstate Medical Licensure Compact

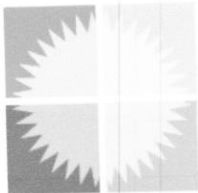


## Interstate Medical Licensure Compact

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
10. We have a process to track the status of audit findings and recommendations.
11. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
12. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to IMLCC, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
13. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.



# Interstate Medical Licensure Compact

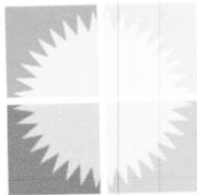


## Interstate Medical Licensure Compact


14. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
15. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
17. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
18. The financial statements properly classify all funds and activities.
19. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
20. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
21. Deposits are properly classified as to risk and are properly valued and disclosed.
22. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
23. As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
24. We understand that as part of your audit, you prepared the adjusting journal entries and we acknowledge that we have reviewed and approved those entries and accepted responsibility for them.



# Interstate Medical Licensure Compact



## Interstate Medical Licensure Compact

Signature:  Title: Executive Director  
Marshall S. Smith

Signature: \_\_\_\_\_ Title: \_\_\_\_\_



# Interstate Medical Licensure Compact



CliftonLarsonAllen

CliftonLarsonAllen LLC  
CLAconnect.com

Board of Commissioners and Management Interstate  
Medical Licensure Compact Commission Lakewood,  
Colorado

In planning and performing our audit of the Interstate Medical Licensure Compact Commission (IMLCC), which are comprised of the statement of net position as of June 30, 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the period from inception (October 27, 2015) to June 30, 2017, and the related notes to the financial statements, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

## Material weaknesses

We consider the following deficiencies in the entity's internal control to be material weaknesses.

### Adjusting Journal Entries

We identified material adjusting journal entries which were identified as part of the audit procedures applied. Below is a description of the adjusting journal entries.

1. At the close of fiscal year 2017, IMLCC had received cash in the amount of \$53,135 for license applications which should have been classified as deposits in transit, however, it was recorded as accounts receivable. As a result, cash was understated as of June 30, 2017.



# Interstate Medical Licensure Compact

Board of Commissioners and Management  
Interstate Medical Licensure Compact Commission  
Page 39

2. For each application fee processed by IMLCC for the period of inception (October 27, 2015) to June 30, 2017, \$300 is collected and subsequently remitted to the State Board for which a license was issued. It was identified that IMLCC had recorded the cash receipts net of remittances. As a result, revenues and expenses were understated by approximately \$85,450.
3. Through audit procedures performed over IMLCC's liabilities, it was identified that approximately \$8,375 in payments due to state boards had been recorded twice. As a result, IMLCC liabilities were overstated as of June 30, 2017.
4. To assist with start-up expenses for IMLCC, the Federation of State Medical Boards (FSMB) utilized federal grant funds to make payments on-behalf of IMLCC for expenses incurred during the period of inception (October 27, 2015) to June 30, 2017. GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires governments to recognize revenue and expenses for on- behalf payments. Revenue should equal the amounts that third party recipients have received and expenses should equal the amounts recognized as revenue. As a result, an adjusting journal entry was made for \$245,419 to recognize the payments made by the FSMB on-behalf of IMLCC.

## Financial Statement Preparation

The Board of Commissioners and management share the ultimate responsibilities for IMLCC's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. This condition increases the possibility that a misstatement of IMLCC's financial statements could occur and not be prevented or detected by IMLCC's internal control.

IMLCC engages CLA to assist in preparing its financial statements and accompanying disclosures. While it is acceptable for CLA to assist in the preparation of the financial statements, as independent auditors, CLA cannot be considered part of IMLCC's internal control system. IMLCC should design a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate.

## Significant deficiencies

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

## Evidence of Transactions

Through audit procedures performed over cash receipts, it was identified that records for three cash receipts in the aggregate amount of approximately \$1,200 during the period of inception (October 27, 2015) to June 30, 2017 could not be located by IMLCC. It is recommended that IMLCC implement a process and control to ensure all evidence of cash receipts is maintained for the fiscal year.



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## Segregation of Duties/IT Access

We noted there is a lack of segregation of duties due to individuals with full access within Quickbooks. Due to the small number of people employed in administrative functions, IMLCC may not be able to fully achieve an ideal segregation of duties. Currently, the Board of Directors' close oversight and review of accounting information are the best means of preventing or detecting errors and irregularities. As part of this oversight function, known control deficiencies should be re-evaluated periodically in order to determine if the internal control system could be changed to better segregate duties. This includes the usage of a third party company to assist in the preparation of the financial information.

None of the identified significant deficiencies are considered to be material weaknesses.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

\* \* \*

This communication is intended solely for the information and use of management, Board of Commissioners, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
January 28, 2019

**\*\*Please note that this document was modified from the original. The modification was limited to the changing the font size of the document from Arial 11 to Arial 10 in order to fit onto the page.\*\***





# Interstate Medical Licensure Compact

## INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION

# RULE ON STATE OF PRINCIPAL LICENSE

ADOPTED: NOVEMBER 17, 2017

EFFECTIVE: NOVEMBER 17, 2017

AMENDMENT HISTORY (LIST WHEN AMENDED AND CITE SECTION NUMBER):

1. Section 4.4 was amended by the Interstate Commission on November 16, 2018 by adding subparagraph 4.4(4)

## Chapter 4 - State of Principal License

### 4.1 Authority

This chapter is promulgated by the Interstate Commission pursuant to the Interstate Medical Licensure Compact Section 4. The rule shall become effective upon adoption by the Interstate Commission.

### 4.2 Definitions

As used in this chapter:

*“Employer”* means a person, business or organization located in a physician’s designated state of principal license that employs or contracts with a physician to practice medicine.

*“Member board”* means a state agency in a member state that acts in the sovereign interests of the state by protecting the public through licensure, regulation, and education of physicians as directed by the state government.

*“Practice of medicine”* means the clinical prevention, diagnosis, or treatment of human disease, injury, or condition requiring a physician to obtain and maintain a license in compliance with the medical practice act of a member state. The practice of medicine occurs where the patient is located at the time of the physician-patient encounter.

*“Primary residence”* means the dwelling where a person usually lives. A person can only have one primary residence at any given time.



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“*State of principal license*” means a member state where a physician holds a license to practice medicine and which has been designated as such by the physician for purposes of registration and participation in the Compact.

## 4.3 Designation of state of principal license

- (a) A physician shall designate a member state as the state of principal license for purposes of registration for expedited licensure through the Compact if the physician possesses a full and unrestricted license to practice medicine in that state, and the state is:
- (1) The state of primary residence for the physician, or
  - (2) The state where at least twenty-five percent of the practice of medicine occurs, or
  - (3) The location of the physician’s employer, or
  - (4) If no state qualifies under subparagraph (1), subparagraph (2), or subparagraph (3), the state designated as state of residence for purposes of federal income tax.
- (b) The physician must meet one of the state of principal license’s eligibility requirements when the application for a letter of qualification is reviewed by the designated state of principal license’s medical board. Member boards shall apply these requirements contemporaneously to determine if a physician has appropriately designated a state of principal license.

## 4.4 Redesignation of the state of principal license

- (a) The physician may redesignate a member state as the state of principal license at any time, as long as the physician meets the requirements in paragraph “a” of Section 4 of the Compact, following this process:
- (1) The physician shall complete a state of principal license form at the Interstate Commission’s website, [www.implcc.org](http://www.implcc.org)
  - (2) Upon receipt of the completed form, the Interstate Commission shall notify the new state of principal license and existing state of principal license.
  - (3) Physician information collected by the Interstate Commission during the process to redesignate a state of principal license shall be distributed to all member boards.



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- (4) The redesignated member state of principal license shall be responsible for ensuring that the physician meets the requirements of paragraph 4.3(a) at the time of the application for redesignation of the state of principal license. The redesignated member state shall notify the Interstate Commission of its findings contemporaneously.

## **4.5 Maintaining a state of principal license**

If a physician licensed through the Compact no longer meets any requirement under Compact Section 4 to designate a state of principal license, then all licenses issued through the Compact to the physician shall be terminated pursuant to Section 5(f) of the Compact.



# Interstate Medical Licensure Compact

## INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION

# RULE ON COORDINATED INFORMATION SYSTEM, JOINT INVESTIGATIONS AND DISCIPLINARY ACTIONS

**ADOPTED:** November 16, 2018

**EFFECTIVE:** November 16, 2018

**AMENDMENT HISTORY (LIST WHEN AMENDED AND CITE SECTION NUMBER):** \_

## **CHAPTER 6 – COORDINATED INFORMATION SYSTEM, JOINT INVESTIGATIONS AND DISCIPLINARY ACTIONS**

### **6.1 Authority**

This chapter is promulgated by the Interstate Commission pursuant to the Interstate Medical Licensure Compact Sections 8, 9, 10 and 15. The rule shall become effective upon adoption by the Interstate Commission.

### **6.2 Definitions**

In addition to the definitions set forth in the Interstate Medical Licensure Compact, as used in these rules, the following definitions apply:

*“Applicant”* means a physician who seeks expedited licensure through the Interstate Medical Licensure Compact. See Rule 5.2(g).

*“Confidential and filed under seal”* means all information and documents shared shall be sent in an envelope or sent through an encrypted service and may not be discoverable in civil litigation, re-disclosed voluntarily or pursuant to a Freedom of Information Act or Public Information Act, produced pursuant to civil or criminal subpoena, except that such information may be used for the purpose of investigating and taking disciplinary action and may be disclosed as part of any public disciplinary action resulting from the investigation.

*“Compact physician”* means a physician who has obtained a license through the Compact.

*“Coordinated information system”* means the database established and maintained by the Interstate Commission as set forth in the Compact. See Rule 2.2.



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“*Disciplining Board*” means a member Board that imposes discipline upon a Compact physician.

“*Investigative, litigation or compliance materials*” means licensure records, disciplinary records, litigation records, application records, and compliance records for a Compact physician, but does not mean criminal history record information in accordance with Rule 2.6.

“*Joint investigation*” means an investigation involving multiple member Boards.

“*Lead investigative Board*” means a member Board chosen to coordinate a joint investigation.

“*Medical Practice Act*” means a member state’s practice act governing the practice of medicine.

“*Member Board*” means a state that has enacted the Compact. See Rule 5.2(bb).

“*Necessary and proper disciplinary and investigatory information*” means:

1. The type of action:
  - a. complaint;
  - b. charge;
  - c. non-final public action;
  - d. final public action; or
  - e. non-public action;
2. Date action was taken;
3. Whether the action results in the removal of the physician’s Compact license, such as a suspension, revocation, surrender or relinquishment in lieu of discipline;
4. Whether the action is to initiate a joint investigation;
5. Name of Board, Agency, or Entity that took the action specified in this report; and
6. Current Status and changes in status of any action:
  - a. investigation continuing;
  - b. charges issued, but no final action taken;
  - c. final action issued pending appeal;
  - d. final action with all judicial remedies exhausted;
  - e. closed without resulting discipline.

“*Nonpublic complaint*” means allegations that a physician violated a state’s Medical Practice Act that have not been made public.

“*Nonpublic complaint resolution*” means a non-disciplinary board action, advisory letter, letter of education, letter of concern, nonpublic disposition agreement, nonpublic consent order, corrective action agreement, or any other type of nonpublic actions taken by a member Board.



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*“Public action”* means disciplinary actions, disciplinary fines, reprimands, probations, conditions or restrictions on a licensee, suspensions, summary suspensions, cease and desist orders, revocations, denials of licensure, or any other type of action taken by a member Board that is public.

*“Public complaint”* means a public charging document or allegations that a physician violated a state’s Medical Practice Act that have been made public by a member Board.

*“Share information”* means that a member Board shall disclose the relevant information to the Interstate Commission or other member Board.

*“State of principal license”* means a member state where a physician holds a license to practice medicine and which has been designated as such by the physician for purposes of registration and participation in the Compact. See Rule 5.2(gg).

## **6.3 Coordinated Information System**

- a. The Interstate Commission shall establish a database of all applicants and Compact physicians. The database will contain the core data set and necessary and proper disciplinary or investigatory information. The database will be available for all member Boards to report and query information, as appropriate.
- b. Each member Board shall report the name, NPI number, and all necessary and proper disciplinary or investigatory information of a public complaint or public action on a form provided by the Interstate Commission to the Interstate Commission as soon as reasonably possible, but no later than 10 business days after a public complaint or public action against an applicant or Compact physician has been entered. The member Board shall attach a copy of the public complaint or public action.
- c. Each member Board shall submit an updated report to the Interstate Commission upon changes to the status of any reported action.
- d. When the Commission receives notice of a final public action by a member Board, the Commission shall notify the member Boards for all other member states where the disciplined Compact physician is licensed.
- e. Each member Board may disclose any nonpublic complaint or nonpublic complaint resolution to the Interstate Commission.



# Interstate Medical Licensure Compact

- f. On request of another member Board, each member Board shall share the requested information from an investigative file as soon as reasonably possible, and that information shall be confidential and filed under seal.
- g. All information provided to the Coordinated Information System and documents obtained or shared through Compact Sections 8 or 9 or Rule 6.3(e) are confidential and filed under seal and may only be used by member Boards for investigations or during disciplinary processes and may be made public in disciplinary actions but may not be redisclosed to any person or non-member Board.

## 6.4 Joint Investigations

- a. A member Board may participate with other member Boards in joint investigations of a Compact physician or applicant.
- b. Upon initiating a joint investigation, the lead investigative Board shall notify the Interstate Commission of the joint investigation and inform the Interstate Commission which member Boards are part of the joint investigation. The Interstate Commission shall notify any other member Boards where the Compact physician is licensed of the identity of the individual under investigation and the contact information for the lead investigative Board.
- c. In a joint investigation, the lead investigative Board may be the member Board in the member state where the alleged conduct occurred, the state that initiated the joint investigation, or any member Board chosen by the participating member Boards to be the lead investigative Board.
- d. The lead investigative Board shall direct the investigation and update the participating member Boards upon any significant developments in the investigation.
- e. The lead investigative Board may request the other member Boards participating in the joint investigation to conduct investigatory tasks in their own states.
- f. A non-lead investigative Board may continue its own investigation but shall keep the lead investigative Board apprised of its investigatory actions and shall coordinate its actions with the lead investigative Board.
- g. A subpoena issued by a member Board shall be enforceable in other member states, whether or not the subpoena concerns a Compact physician or applicant.



# Interstate Medical Licensure Compact

- h. Should an individual or entity refuse to comply with the enforceable subpoena, the member Board that issued the subpoena may request the local member Board to issue a subpoena on the investigating member Board's behalf. The local member Board shall issue such a subpoena and shall share the resulting information with the investigating member Board.
- i. All member Boards participating in a joint investigation shall share investigative information, litigation, or compliance materials upon request of any member Board where the Compact physician under investigation is licensed.
- j. Any member Board may investigate actual or alleged violations of a statute authorizing the practice of medicine in any other member state in which a physician holds a license to practice medicine. The investigating member Board shall contact the other member Board and inform them about the investigation prior to initiating the investigation in that state. Upon conclusion of the investigation, the investigating member Board shall inform the other member Board about the results of the investigation.
- k. The final outcome or disposition of any joint investigation shall be reported to the Interstate Commission by the lead investigative Board.

## 6.5 Disciplinary Actions

- a. Any disciplinary action by a disciplining Board shall be considered unprofessional conduct and is subject to discipline by other member Boards. This shall include any action that does not have a corresponding ground by the other member Board's Medical Practice Act or in addition to any other specific violation of the Medical Practice Act in the other member state.
- b. Any member Board, including the state of principal license, may:
  - (1) Administratively take reciprocal action against a compact physician who was disciplined by a disciplining Board. The administrative reciprocal action of the disciplinary Board is deemed conclusive as to matters of law and fact and a member Board may impose the same or lesser sanction that is consistent with the Medical Practice Act of the member Board state;
  - (2) Pursue disciplinary action in accordance with the member Board's Medical Practice Act against a Compact physician who was disciplined by a disciplining Board. The





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action of the disciplinary Board is deemed conclusive as to matters of law and fact and a member Board may impose a more severe sanction; or

(3) Take no action.

- c. If a license issued by a member state through the Compact is revoked, surrendered, suspended or relinquished in lieu of discipline, then the member Board shall notify the Interstate Commission as soon as reasonably possible, but no later than 5 business days from the date of the action and shall send a copy of the action to the Interstate Commission.
- d. The Interstate Commission shall immediately notify all other member Boards that have licensed the physician and shall send a copy of the action to the other member Boards.
- e. Upon receipt of notice from the Interstate Commission of an action taken by the state of principal license, the other member Boards shall immediately place the Compact physician on the same status as the state of principal license.
- f. If the state of principal license reinstates the disciplined Compact physician's license, it shall notify the Interstate Commission that the suspension has been terminated as soon as reasonably possible, but no later than 5 business days after the suspension has ended. The Interstate Commission shall immediately notify the other member Boards. Those member Boards shall reinstate the license in accordance with the Medical Practice Act of that state.
- g. Upon receipt of notice from the Interstate Commission of an action taken by a non-state of principal license, the other member Boards shall suspend the Compact physician for 90 calendar days on entry of the order of the disciplining Board to permit the member Board to investigate under the Medical Practice Act of that state.
- h. After an investigation has been completed, but within 90 calendar days of the suspension, one of the following may occur:
  - (1) a state of principal license may terminate the suspension of the license;
  - (2) a non-state of principal license may terminate the suspension if the state of principal license has already terminated the suspension;



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- (3) any member Board may impose reciprocal discipline or pursue reciprocal discipline pursuant to Rule 6.5(b) or (c); or
- (4) any member Board may continue the suspension until the member Board that initially took the action has taken a final action.



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## INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION

# RULE ON COMPLIANCE AND ENFORCEMENT

**ADOPTED: November 16, 2018**

**EFFECTIVE: November 16, 2018**

**AMENDMENT HISTORY (LIST WHEN AMENDED AND CITE SECTION NUMBER): \_**

### **Chapter 7 – Compliance and Enforcement**

#### **7.1 Authority**

This chapter is promulgated by the Interstate Commission pursuant to the Interstate Medical Licensure Compact section 19. The rule shall become effective upon adoption by the Interstate Commission.

#### **7.2 Dispute resolution**

- a. Any disputes between member states on compliance and enforcement issues shall be presented to and mediated by the Executive Committee.
- b. Before submitting a complaint to the Executive Committee, the complaining member Board and the responding member Board shall attempt to resolve the issues without intervention by the Interstate Commission.
- c. If the parties are unable to resolve the issue, the complaining member state shall provide the Executive Committee a written statement, not to exceed five pages, which will be sent to the responding member state. The responding member state may submit a written response to the complaining member state and the Executive Committee, not to exceed five pages, within 30 calendar days.
- d. The member state representatives may appear telephonically before the Interstate Commission at a time and place as designated by the Executive Committee of the Interstate Commission for mediation.



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- e. The Executive Committee of the Interstate Commission shall make a recommendation to the parties to resolve the issue.



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## INTERSTATE MEDICAL LICENSURE COMPACT

### #5 – Policy on IMLCC Reserve Funds

ADOPTED: MAY 18, 2018

EFFECTIVE: JULY 1, 2018

AMENDMENT HISTORY (LIST WHEN AMENDED AND CITE SECTION NUMBER):

- None

#### I. Policy Statement

The Interstate Medical Licensure Compact (IMLC) Statute Section 13 establishes the Interstate Commission with financial powers, including the establishment of an annual budget. IMLC Bylaws, Article VIII, establishes the fiscal years and covers matters of IMLCC finance. The IMLCC budget intends to establish reserve funds to provide for contingency funding and large item purchase funding. These reserve funds are necessary to ensure that financial resources are sufficient and available to prevent the creation of debt obligations.

#### II. PURPOSE

The purpose of this policy is to:

- A. Define the types of reserve funds to be developed and maintained.
- B. Define how the reserve fund amount(s) are to be determined.
- C. Define the authorization required to use the cash fund.
- D. Define how unexpended reserve funds are to be handled.

#### III. DEFINITIONS

**Cash** – Money that is held in an account, including certificates of deposit and other secured financial instruments, owned and controlled by the IMLCC at a Federal Deposit Insurance Corporation (FDIC) member bank.

**Reserve Fund** – An amount of cash set aside to meet future liability.



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## IV. DEVELOPMENT

The IMLCC can create multiple reserve funds. The creation of a reserve fund is initiated as a motion from the Budget Committee, reviewed by the Executive Committee, and requires the approval of a majority of IMLC commissioners present during a regularly scheduled IMLCC meeting. The reserve funds may be built during a single fiscal year or may be built over multiple fiscal years. These funds include:

- A. General Reserve Fund – A specific amount of cash held in anticipation to meet unforeseen financial obligations or budget shortfalls. Expenditures from this fund require a motion from an IMLCC committee and requires the approval of a 2/3rd majority of the IMLC commissioners present during a regularly scheduled meeting.
- B. IT Reserve Fund – An amount of cash to be established as part of the budget development process of the Budget Committee. A specific IT project must be identified, such as to reserve funds to pay for the replacement or upgrade the current Data Management System, and the funds are only available to pay for that identified project. There can be more than one IT Reserve Fund created and maintained. Expenditures from this fund require the approval of the Executive Committee. Funds that are not used shall revert to the IMLCC General Reserve Fund.
- C. Capital Project Reserve Fund – An amount of cash to be established as part of the budget development process of the Budget Committee. A specific project must be identified, and funds are only available to pay for that identified project. There can be more than one Capital Project Reserve Fund created and maintained. Expenditures from this fund require the approval of the Executive Committee. Funds that are not used shall revert to the IMLCC General Reserve Fund.
- D. Special Project Reserve Fund – An amount of cash to be established as part of the budget development process of the Budget Committee. A specific project must be identified, and funds are only available to pay for that identified project. There can be more than one Special Project Reserve Fund created and maintained. Expenditures from this fund require the approval of the Executive Committee. Funds that are not used shall revert to the IMLCC General Reserve Fund.

## V. RESPONSIBILITY

The executive committee shall be responsible for administering this policy and ensuring that this policy is current, compliant with all statutory requirements and case law, and consistent with other applicable standards. The executive committee may delegate administration and maintenance of this policy to the executive director.



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## INTERSTATE MEDICAL LICENSURE COMPACT

### **#6 – Policy on Records and Information Requests**

ADOPTED: SEPTEMBER 18, 2018

EFFECTIVE: SEPTEMBER 18, 2018

AMENDMENT HISTORY (LIST WHEN AMENDED AND CITE SECTION NUMBER):

- None

#### **I. POLICY STATEMENT**

The Interstate Medical Licensure Compact Commission is a public body made up of representatives from the various states that have joined the IMLC.

Because the IMLCC is not a federal, state, municipal or other government agency, or an incorporated private entity, it is not subject to the federal Freedom of Information Act or to any public records law of a particular state. The IMLCC is subject only to the language of the Compact and its own rules and policies.

#### **II. AUTHORITY**

Interstate Medical Licensure Compact Statute, Section 12 – Powers and Duties of the Interstate Commission, includes the following provisions, specifically in subparagraphs:

- (a) oversee and maintain the administration of the compact;
- (b) establish personnel policies and programs relating to conflicts of interest, rates of compensation, and qualifications of personnel;
- (c) maintain records in accordance with the bylaws;
- (d) perform such functions as may be necessary or appropriate to achieve the purposes of the compact.

This policy also in compliance with Chapter 2 (Information Practices) of the IMLCC's administrative rules and with IMLCC Policy #1 (Policy on Policies.)

Further Interstate Medical Licensure Compact Statute, Section 11 – Interstate Medical Licensure



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Compact Commission, subparagraph (j) states that “The interstate commission shall make its information and official records, to the extent not otherwise designated in the compact or by its rules, available to the public for inspection.”

## III. PURPOSE

The IMLCC recognizes that individuals or entities may make requests for information from the IMLCC. This policy outlines what is considered IMLCC information and what is information held by the member states and, therefore, subject to the individual laws of those states. This policy also outlines the procedures that IMLCC personnel will follow after receiving requests for information from the IMLCC.

## IV. DEFINITIONS

“Board” means a state medical or osteopathic board from a state that is a member of the Compact.

“IMLCC information” includes the following:

- a) Lists of member states.
- b) Lists of appointed commissioners to the IMLCC.
- c) Lists of IMLCC employees and/or contractors.
- d) Meeting agendas and minutes.
- e) Meeting materials (excluding those considered confidential under terms of the Compact, IMLCC rules, or IMLCC policies.)
- f) Financial reports of IMLCC revenues and expenses.
- g) Reports regarding grants, gifts, loans or non-monetary contributions to the IMLCC.
- h) Total numbers of physician applications to the IMLCC for Letters of Qualification.
- i) Total numbers of physicians granted a Letter of Qualification.
- j) Total numbers of physicians denied a Letter of Qualification.
- k) Total numbers of state licenses requested by physicians with Letters of Qualification.
- l) Total numbers of state physician licenses granted via the Compact.
- m) Total numbers of state physician licenses renewed via the Compact.
- n) Total numbers of revoked Letters of Qualification.

“Requestor” means any individual, organization or entity that contacts the IMLCC with a request for information.

“State” means a state which has joined the Compact through legislation.

“State-held information” includes the following:

- a) Total numbers of requests to a state for a Letter of Qualification.





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- b) Total numbers of physicians granted a Letter of Qualification by a state.
- c) Total numbers of physicians denied a Letter of Qualification by a state.
- d) Total numbers of physician licenses granted by a state to applicants using the Compact.
- e) Total numbers of state physician licenses renewed by a state to physicians licensed via the Compact.
- f) Total numbers of reported disciplinary actions by a state against physicians licensed via the Compact.
- g) Total numbers of Letters of Qualification revoked by a state.
- h) Total numbers of licenses granted via the Compact that have been revoked, suspended or otherwise sanctioned by a state as the result of a disciplinary adjudication.
- i) Individual information about a physician who has been approved, denied, licensed or disciplined by a state under terms of the Compact that is considered public record under the laws of an individual state.

“Working days” means Monday, Tuesday, Wednesday, Thursday and Friday, excluding federal or state holidays.

## **V. PROCEDURES**

- A. All requestors of IMLCC information shall submit a request in writing to the IMLCC executive director. The written request, which also includes via email, shall include the name, address and other contact information of the requestor, as well as a detailed description of the information sought. If the IMLCC approves a form for this purpose, it shall be available on the IMLCC website.
- B. The IMLCC executive director shall make a record of each request as it is received.
- C. The IMLCC executive director shall determine whether the request is for IMLCC information or state/board information.
- D. When the requestor seeks state/board information, the IMLCC executive director shall refer the requestor to the state(s)/board(s) where that information is located.
- E. When a requestor seeks IMLCC information and has submitted the request in writing, the IMLCC executive director shall notify the requestor that the request has been received. If the information is available on the IMLCC website, the executive director shall refer the requestor to the website. If the information is not available on the website, the executive director shall notify the requestor that further communication will be forthcoming.



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- F. For those requests that involve information not on the IMLCC website, the IMLCC executive director shall assess the nature of the request and the resources required to fulfill it.
- G. The IMLCC executive director shall fulfill a request for IMLCC information as soon as possible after sending the notification of receipt.
- H. The IMLCC executive director shall charge a fee of \$50.00/hour for information searches, with the first hour free of charge.
- I. For requests that the IMLCC executive director determines will require extensive time, money or other resources to fulfill, the executive director may bring the request to the IMLCC Executive Committee for consultation.
- J. For requests that require extensive time, money or other resources to fulfill, the IMLCC executive director shall work cooperatively with the requestor regarding when the request shall be fulfilled.
- K. The preferred method of providing information to requestors shall be e-mail, including attachments if needed. The IMLCC executive director also may provide information on a portable memory device supplied by the requestor or via a file transfer service approved by the IMLCC Executive Committee.

## **VI. RESPONSIBILITY**

The executive committee shall be responsible for administering this policy and ensuring that this policy is current, compliant with all statutory requirements and case law, and consistent with other applicable standards. The executive committee may delegate administration and maintenance of this policy to the executive director.



# Interstate Medical Licensure Compact

## Advisory Opinion

OPINION NO. 07-2018 – ADVISORY OPINION ON PHYSICIANS HOLDING LICENSES ISSUED THROUGH THE COMPACT WHO ARE DISCIPLINED BY A NON-MEMBER BOARD AFTER THE LETTER OF QUALIFICATION HAS BEEN ISSUED

A physician had obtained a Letter of Qualification (“LOQ”) and was requesting licensure using the compact. A member board, from whom a license was being requested, determined that the physician applicant’s license to practice medicine had been subject to discipline by a licensing agency of a state that was not a member of the compact. The disciplinary action was subsequent to the LOQ being issued.

**AUTHORITY:** The Executive Committee issues this advisory opinion under authority of the Interstate Medical Licensure Compact Commission.

- **IMLCC Statute, Section 12c** – (The commission shall) Issue, upon the request of a member state or member board, advisory opinions concerning the meaning or interpretation of the compact, its bylaws, rules, and actions.
- **IMLCC Statute, Section 11k** -- ...The executive committee shall have the power to act on behalf of the Interstate Commission, with the exception of rulemaking, during periods when the Interstate Commission is not in session....

**ISSUE:** The Interstate Medical Licensure Compact Statute is silent as it relates to the actions which should be taken by member boards and the commission after it has been determined that a physician, who was eligible to obtain a Letter of Qualification (“LOQ”) and has had licenses issued through the compact, subsequently had his/her license to practice medicine subject to discipline by a non-member state.

- **IMLCC Statute, Section 8(b)** – establishes that a member board must report to the commission any public action or complaints against a licensed physician who has used the compact whether that action is from a member board or a non-member board.
- **IMLCC Statute, Section 2(k)(7)** – establishes that a physician whose license to practice medicine that has been subject to discipline by a licensing agency in any state, federal or foreign jurisdiction shall not be eligible to use the compact to obtain licensure through the compact.
- **IMLCC Statute, Section 7(a)(3)** – prevents a physician using the compact to renew licenses obtained through the compact, if that physician’s license to practice medicine has been the subject of disciplinary action.
- **IMLCC Statute, Section 10** – provides clear direction regarding the actions to be taken when a physician holding licenses issued through the compact are disciplined by compact member boards.



# Interstate Medical Licensure Compact

## QUESTIONS:

- How should a member board notify the commission when it determines that a physician's license to practice medicine has been the subject of a disciplinary action by a non-member board state?
- What notification should the IMLCC provide to the State of Principal License (SPL) and member boards who have issued a license through the compact using a valid LOQ regarding the action taken by the non-member board?
- Should the IMLCC notify the physician that they may not use the compact to renew their licenses obtained through the compact?

## ADVISORY OPINION:

Item 1: A member board shall report to the IMLCC executive director via email as soon as practicable after it has become aware of any public action or complaints against a physician who has used the compact to apply or obtain a license through the compact, including action taken by a non-member board.

Item 2: The commission shall notify the SPL and member boards who have issued a license through the compact of any disciplinary action as defined in IMLC Rule 5.2, of the action by a non-member board within 5 business days of obtaining that information. The notice shall be via email to the commissioners from those member states.

Item 3: The IMLCC shall, contemporaneously with the notice to the SPL and member boards, notify the physician via email that:

- The IMLCC has become aware of the disciplinary action;
- The IMLCC has notified the SPL and the license issuing member boards of the action;
- The physician may not renew their licenses using the compact process; and
- The IMLCC recommends that the physician contact each member board directly concerning the status of the license issued.

**APPLICABILITY:** This opinion applies to all member states in their capacity as a state of principal license and a member board issuing licenses under the authority of the Interstate Medical Licensure Compact.

**EFFECTIVE DATE:** This opinion is effective upon issuance by the Executive Committee of the Interstate Medical Licensure Compact Commission (August 7, 2018).



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## Advisory Opinion

OPINION NO. 09-2018 – ADVISORY OPINION ON QUALIFICATION TO ACT AS A STATE OF PRINCIPAL LICENSE (SPL) AND THE RELATIONSHIP BETWEEN AN SPL AND LETTERS OF QUALIFICATION (LOQ) ISSUED.

Questions were raised regarding the responsibilities of being an SPL under the IMLCC statutes and how that responsibility relates to an active LOQ and the licenses issued using that LOQ. The first issue relates to a physician, who is requesting a redesignation of SPL from the originally selected member board, which issued an LOQ that is still active, to another member board which is unable to act as an initial SPL due to the inability to obtain a criminal history record information (CHRI) for the required criminal background check. The second issue relates to a physician who has selected an SPL, has an active LOQ with licenses issued under that LOQ, but no longer meets the requirements to maintain an SPL.

**AUTHORITY:** The Executive Committee issues this advisory opinion under authority of the Interstate Medical Licensure Compact Commission.

- **IMLCC Statute, Section 12c** – (The commission shall) Issue, upon the request of a member state or member board, advisory opinions concerning the meaning or interpretation of the compact, its bylaws, rules, and actions.
- **IMLCC Statute, Section 11k** -- ...The executive committee shall have the power to act on behalf of the Interstate Commission, with the exception of rulemaking, during periods when the Interstate Commission is not in session....

**ISSUE:** There are two principal issues for discussion. The first relates to a member board's role and responsibilities as a State of Principal License (SPL). The second relates to the interaction between an SPL and issuance of the Letter of Qualifications (LOQ). There appears to be a slight difference between IMLCC Rule, Chapter 4, Section 4.5 that requires that a physician maintain eligibility requirements with an SPL and IMLCC Statute, Section 5(f) that requires that a physician only maintain a license in the SPL they have selected. Additionally, it appears that an LOQ should be treated as a standalone document separate from the SPL which issued the LOQ.

- **IMLCC Rule, Chapter 4, Section 4.3** – establishes that a physician shall designate a member state as their state of principal license and meet the eligibility requirements when the application for a letter of qualification is reviewed.
- **IMLCC Rule, Chapter 4, Section 4.4** – establishes that a physician may redesignate a member state as the state of principal license at any time, as long as the physician meets the requirements of Section 4.3.
- **IMLCC Rule, Chapter 4, Section 4.5** – requires that when a physician is unable to meet the requirements of Compact Section 4 to designate a state of principal license, then all licenses issued through the Compact to the physician shall be terminated pursuant to Section 5(f).



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- **IMLCC Statute, Section 5(f)** – states that an expedited license obtained through the Compact shall be terminated if a physician fails to maintain a license in the state of principal license for a non-disciplinary reason, without redesignation of a new state of principal license.

## QUESTIONS:

- Can any member board act as a State of Principal License (SPL) in a redesignation situation?
- Is a Letter of Qualification valid for 365 days from the date of issuance without regard to the physician continuing to meet the requirements to maintain a relationship with the SPL which issued the LOQ?
- Does the meaning of the word “terminate” as used in IMLCC Rules, Chapter 4, Section 4.5 mean immediately, or would it be reasonable, in this situation, to mean upon the expiration of the license?

## ADVISORY OPINION:

Item 1: A member board which has determined that it is unable to act fully as a State of Principal License (SPL) to make a determination on an application for a Letter of Qualification is not prohibited by IMLCC Statute or Rule from acting as an SPL in a redesignation situation. A member board which is redesignated as a physician’s SPL is not making determinations about eligibility, rather, the member board is being designated in accordance with IMLCC Rule, Chapter 4, Section 4.3 to prevent termination of licenses issued through the Compact, as required under IMLCC Rule, Chapter 4, Section 4.5. The Letter of Qualification issued by the physician’s original SPL remains valid for 365 days.

Item 2: A Letter of Qualification (LOQ), once issued is valid for 365 days and is independent of the State of Principal License (SPL). An LOQ issued by a SPL remains valid even if the physician redesignates a new SPL.

Item 3: The word terminate as used in IMLCC Rules, Chapter 4, Section 4.5, when considered with the requirements of IMLCC Statute, Section 5(f), appears to mean that licenses issued would terminate on the expiration date of the license issued as determined by the issuing member board. Physicians who are unable to maintain a relationship with their SPL and are unable to redesignate a new SPL would be unfairly burdened with an abrupt and immediate termination of licenses issued. As the reason is not related to a disciplinary matter, can be outside of the control of the physician, does not create a harm to public safety or patients, and would create a substantial burden on the physician, allowing a currently issued license to remain in effect until the established expiration of the license is a reasonable approach that is not prohibited by IMLCC Statute or Rule.

**APPLICABILITY:** This opinion applies to all member states acting as a state of principal license and to member boards issuing licenses under the authority of the Interstate Medical Licensure Compact.



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**EFFECTIVE DATE:** This opinion is effective upon issuance by the Executive Committee of the Interstate Medical Licensure Compact Commission (September 18, 2018).