

# EXECUTIVE SUMMARY

## *Health Licensing Consolidation Project*

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Texans want, and deserve, a lean, high-quality state government. When it comes to licensing many of our health professionals, the reality is we have a slow, inefficient structure. No true *system* of licensing exists. Texas has a series of independent, separate state agencies. Each has its own governor-appointed board, a majority of which is made up of members of the regulated profession who write their own rules to regulate their own profession. Each has its own licensing staff. Each has its own enforcement and inspection staff. Each has its own administrative staff.

Corporations would never structure their business this way. A well-run private business would not have separate administrative structures for each of its components. Information technology would run on a consistent platform. Where possible, operations would be consolidated to take advantage of economies of scale. While not all government can be run on a business model, health occupational licensing does not take advantage of available business best practices.

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*Texas' health occupational licensing does not take advantage of business best practices.*

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Texas is far behind most states that have consolidated their health occupational licensing in various forms. Health occupational licensing also lags behind Texas' approach to licensing other types of occupations, where the Texas Department of Licensing and Regulation (TDLR) has been a model for efficiency and quality service. TDLR succeeds by taking advantage of economies of scale for each element or function of regulatory programs — one licensing program, one investigations division, one information technology system and so forth.

As shown in this report, Texas has a great opportunity for improvement. The place to start this effort in the area of health occupational licensing is with small, inefficient and, in some cases, quite problematic agencies. The Board of Podiatric Medical Examiners, for example, has four staff to perform licensing, enforcement, and administration functions and spends nine times more per licensee than the Board of Nursing. Last year, the Board of Social Work Examiners took 1,107 days (about three years) on average to resolve a complaint. Although not every small board exhibits problems at this level, the overall inefficiency is endemic. The Legislature must fund each agency, for each function, over and over again.

As a result, this report focuses on health licensing agencies with less than 25 staff. Nine such licensing boards currently under Sunset review fell within this scope. Working with the Sunset review teams assigned to these entities, staff concluded that Texas would significantly benefit from a business transformation through consolidation of all nine within TDLR's Health Professions Division. Recommendations to transfer the boards of Marriage and Family Therapists, Professional Counselors, and Social Workers to TDLR-Health are already contained in the separate staff report on those entities published earlier this month. This report contains the remaining recommended transfers. In addition, transfer of the three behavioral health boards from the Department of State Health Services (DSHS) would leave just one small behavioral health licensing program there. Accordingly, this report also recommends licensure of Chemical Dependency Counselors transfer to TDLR.

These recommended transfers are in no way a punishment for those agencies with performance issues. Staff recommend all nine entities transfer to the Health Professions Division of TDLR to take advantage of economies of scale and elimination of duplicate functions. Due to their small staff size, even well-performing agencies pose a risk since they are but one retirement or a complicated lawsuit away from calamity.

In almost every transfer of a board to TDLR Sunset has recommended, board members and practitioners argue that they will lose authority over their profession. However, as advisory boards at TDLR, they still design standard of care rules and develop the penalty matrix for enforcement, and TDLR consults with the boards on matters requiring professional expertise. Meanwhile, applications are processed by TDLR licensure staff, TDLR inspectors investigate complaints and perform on-site inspections statewide, and legal and enforcement staff prosecute infractions. And no, before we are asked, electrical inspectors won't be investigating standard of care complaints. This type of question arises with every transfer, and the answer is that TDLR has successfully obtained the necessary training and required expertise where needed.