History of the IMLCC

Getting Started – February 2015 to March 2017

- **IMLC vs. IMLCC** - The Interstate Medical Licensure Compact (IMLC) is the organization created when the first state adopted legislation to join and expands as new states join. The Interstate Medical Licensure Compact Commission (IMLCC) is the body of commissioners and staff formed to govern and operationalize the IMLC.

- In order for the IMLC to become the IMLCC – 7 states had to pass the legislation to join. On February 27, 2015, the State of Wyoming was the first state to pass legislation; followed by South Dakota (3/12/2015), Utah (3/20/2015), Idaho (3/25/2015), West Virginia (3/31/2015) and Montana (4/8/2015). Alabama and Minnesota both joined on May 19, 2015 becoming the 7th and 8th member states. Four states joined in 2015 and six joined in 2016; with five more states joining before April 2017 when the first application was received, and a license issued using the process.

- The first meeting of the IMLCC was held in Chicago, Illinois on October 27, 2015 and the work began.

- The IMLCC’s official status is a “governmental instrumentality”, defined in IRS code, Section 115, as an organization created pursuant to state statute and operating for public purposes, performing governmental functions without the full powers of government.

- The control over the IMLCC is made up of a layered set of governing laws and rules.
  - Statute – when passed makes the IMLC a part of that state’s government.
  - Bylaws – govern how the IMLCC functions as an organization.
  - Rules – establish the operational aspects of the IMLCC and implements the Statute.
  - Policies – define rules and provide additional guidance on the operational aspects of the IMLCC.
  - Advisory Opinions – provide legal guidance on questions raised and interpretations of the IMLCC and its member state.

- In 2016, the Federation of State Medical Boards (FSMB) was awarded a 3-year HRSA grant of $750,000.00 to be allocated at $250,000.00 per year to fund
expansion of physician licensure efforts, including the IMLCC. The grant funds were spent in 4 categories – Staff, Travel, IT systems, and Legal. The FSMB reports regularly to the US Department of Health and Human Services, Health Resources and Services Administration (HRSA) on the expenditures and progress. The first HRSA grant ran from the Federal fiscal years of 2016 to 2019. A second, 5-year $1,250,000.00 grant was awarded to the FSMB in 2019. More about the HRSA grant can be found on the FSMB’s webpage.

- The initial operational funding for the IMLCC came from a $25,000.00 grant from the FSMB Foundation. This money allowed the IMLCC to purchase a web domain and the basic requirements to start an organization.
- Between the initial meeting in October 2015 and April 2017, the Commissioners retained a full-time contractor to function as the IT project manager, Wanda Bowling. Her first tasks were to design and implement the web-based system and process that is currently in use today. The goal was to create an inexpensive but highly secure process that used web-based technology to handle the application and payment. The information obtained had to be securely passed between individuals and organizations.
- After the physician enters basic information on the IMLCC’s webpage, the physician goes to a web-based payment platform (originally PayPal, currently the IMLCC uses STRIPE), upon the successful payment transaction, an envelope is created in DocuSign. DocuSign is a secured platform that gathers information and signatures to process an application from the initial creation to a final decision.

Operational Start Up – April 2017 to March 2018

- Between April 2017 and October 2017, the Executive Committee and the IT project manager performed the dual functions of being responsible for day-to-day operations and providing guidance on policy and direction.
- In October 2017, the IMLCC hired its first executive director, Marschall Smith as a part-time contractor. The roles shifted for the Executive Committee, when the executive director was charged with creating standard operating processes, developing a budget, and implementing the policy and direction from the Executive Committee.
- Fiscal Year 2019 was the first budget created under the direction of Treasurer Maresh (WA) and approved by the Commission in April 2018. The IMLCC’s
fiscal year runs from July to June with the Commission meeting in the spring dedicated to budget issues.

- During the spring budget meeting, the Commissioners approve a budget for the next fiscal year, authorize the executive director to expend funds up to an approved maximum amount and determine if a fee should be assessed to member states to fund operations. No fees have been assessed to member boards through FY2020.

- Originally the Commission decided that it would operate with a minimal budget in order to gain a better understanding of the application volume and reliability of the revenue stream. This decision meant utilizing contractors who could provide their own office space and equipment and delay the decision about hiring employees and creating a physical office presence.

- The contract staff consisted of a part-time executive director and a full-time IT manager. Customer service would be minimized by providing instructions on the webpage and using the executive director’s cell phone to provide a telephone number in rare situations where a phone call was required to solve a problem.

- This minimal budget concept assumed that the volume of applications would range between 50 and 75 per month, rarely if ever exceeding 100. This assumption held true until January 2018, when 116 applications were received and has continued to grow every month.

**Rapid Expansion and Where We Are Now**

- The volume of applications continues to grow and expand:
  - 14 = average number of applications per month – April to June 2017
  - 71 = average number of applications per month – July to December 2017
  - 170 = average number of applications per month – January to June 2018
  - 199 = average number of applications per month – July to December 2018
  - 250 = average number of applications per month – January to June 2019
  - 322 = average number of applications per month – July to October 2019

- The system designed to handle 50 to 75 applications per month was functioning beyond its capacity.

- The IMLCC grew from 23 member states in April 2017 to 31 member states in June 2019. The 31 member states include the District of Columbia and the Territory of Guam.

- The level of staffing was failing to meet the demands from the applicants and member boards, so changes were made to address some of the demand:
A part-time administrative assistant was retained from a temp agency in August 2018 to focus on answering customer service questions from phone calls and emails.

The executive director’s contract was amended to reimbursement at a full-time level in February 2019.

A part-time bookkeeper was retained from a temp agency in April 2019 to work with the IMLCC’s CPA firm, Altruic Advisors to record expenses and revenues.

A full-time customer liaison manager was retained as an independent contractor in November 2019.

- The FY2020 budget was increased to allow for the Commission to rent an office space, establish regular office hours and a primary contact phone number.
- A new webpage and a data management system were authorized and funded for FY2020, with the webpage redesign being rolled out before the end of 2019 and the new data management system going live in the spring of 2020.
- The audit of FY2017 was completed and published. The audit of FY2018 was started and expected to be completed soon.
- The fiscal reporting and accounting processes have reached their effective capacity. The IMLCC’s CPA firm has reported that the current fiscal controls and process are not sustainable under the pressures of increased application volume and the resulting revenues and expenses. An example of the expansion can be found in looking at a sample of the transactions processed by STRIPE:
  - October 2017 = 142 transactions
  - October 2018 = 538 transactions
  - October 2019 = 1,072 transactions
- A regular member board invoicing process has been implemented by most member boards. However, there are funds available for member boards to invoice that involve applications processed in 2017 and a couple of member boards have not submitted an invoice. Part of the FY2019 audit will be to determine the funds not invoiced and remit them to the member board prior to the end of FY2020.
- A pilot project is underway which will replace the invoice process from member boards with a weekly remittance process from the IMLCC to the member boards.
- A process to record and document administrative procedures was initiated in July 2019 and continues to expand.
NEXT

- Strategic Planning
- Business Plan
- Converting contractors to employees
- Transition operational functions to the executive director and staff – under the guidance and strategic direction of the IMLCC committees
- Implement a new webpage and data management system
- Create new fiscal reporting and accounting systems

Comparative Information

- Fiscal Year 2017 (July 2016 to June 2017) had the following audited results:
  - 125 applications received
  - 81 licenses issued
  - 10 licenses renewed
  - Audited financial results:
    - $147,752.00 = Gross revenues from Licensing Fees
    - $97,675.00 = Licensing Fees owed to member boards
    - $8,934.00 = Expenses paid by IMLCC Operating Fund
    - $270,419.00 = Grant Funds received
    - $245,419.00 = Grant Funds expended
    - Net Position – End of Fiscal Year = $66,143.00 (audited)

- Fiscal Year 2018 (July 2017 to June 2018) had the following unaudited results (currently under audit):
  - 1,447 applications received
  - 2,220 licenses issued
  - 271 licenses renewed
  - Unaudited financial estimates:
    - $1,670,637.70 = Gross revenues from Licensing Fees (estimate)
    - $1,209,612.70 = Licensing Fees owed to member boards (estimate)
    - $147,194.73 = Expenses paid by IMLCC Operating Fund (estimate)
    - $254,580.00 = Grant Funds received (estimate)
    - $210,561.04 = Grant Funds expended (estimate)
    - Net Position – End of Fiscal Year = $362,124.79 (estimate)
Interstate Medical Licensure Compact

- Fiscal Year 2019 (July 2018 to June 2019) has the following unaudited results (audit pending):
  - 2,698 applications received
  - 3,980 licenses issued
  - 2,216 licenses renewed
  - Unaudited financial estimates:
    - $4,034,337.00 = Gross revenues from Licensing Fees (estimate)
    - $3,091,387.00 = Licensing Fees owed to member boards (estimate)
    - $386,275.17 = Expenses paid by IMLCC Operating Fund (estimate)
    - $313,000.00 = Grant Funds received (estimate)
    - $296,043.77 = Grant Funds expended (estimate)
    - Net Position – End of Fiscal Year = $559,101.23 (estimate)

- Fiscal Year 2019 (July 2019 to June 2020) has the following unaudited results through October 2019 (partial year):
  - 1,286 application received
  - 1,318 licenses issued
  - 1,024 licenses renewed
  - Unaudited financial estimates:
    - $1,765,117.00 = Gross revenues from Licensing Fees (estimate)
    - $1,339,342.00 = Licensing Fees owed to member boards (estimate)
    - $195,847.72 = Expenses paid by IMLCC Operating Fund (estimate)
    - $250,000.00 = Grant Funds available
    - $44,927.73 = Grant Funds expended (estimate)
    - Net Position – End of October 2019 = $231,460.73