

OHIO AUDITOR OF STATE
KEITH FABER



Ohio Board of Nursing

Performance Audit

February 2024

OHIO AUDITOR OF STATE
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To the Governor's Office, General Assembly, Ohio Board of Nursing, Ohio Taxpayers, and Interested Citizens:

The Auditor of State's Office recently completed a performance audit of the Ohio Board of Nursing (the Board). This service to the Board and to the taxpayers of the state of Ohio is being provided to pursuant to the Ohio Revised Code § 117.46.

This audit report contains recommendations, supported by detailed analysis, to enhance the overall efficiency, effectiveness, and transparency of the Board's operations. This report has been provided to the Board and its contents have been discussed with appropriate staff and leadership. The Board is reminded of its responsibilities for public comment, implementation, and reporting related to this performance audit per the requirements outlined under Ohio Revised Code § 117.461 and § 117.464. In future compliance audits, the Auditor of State will monitor implementation of the recommendations contained in this report, pursuant to the statutory requirements.

It is my hope that the Board will use the results of the performance audit as a resource for improving transparency, operational efficiency, and overall effectiveness. The analysis contained within are intended to provide management with information to consider while making decisions about the Board's operations.

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

Keith Faber
Auditor of State
Columbus, Ohio

February 20, 2024

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Performance Audit

WHAT WE LOOKED AT

In the fall of 2021, newspapers were reporting long delays in processing times for nursing license and certification applications as a result of the COVID-19 pandemic. In response to the reported increase in processing times during a time of a public health emergency, the Ohio Performance Team became aware of a potential issue and initiated a performance audit. After discussions with OBN and the Board's planned process improvement event (Kaizen Event) with LeanOhio, OPT delayed the start of the performance audit until the spring of 2023. This audit reviewed the Ohio Board of Nursing's (OBN or the Board) license and certification processing times over the previous five years and reviewed how the Board can improve the efficiency and effectiveness of its compliance and regulation team. The goal of this audit was to understand if the changes initiated by OBN in response to increased demand for their services were successful and identify additional opportunities for improvement for the licensing and certification processes.

WHAT WE FOUND

OBN has processed a continuously increasing number of new nursing applications every year since 2018. The COVID-19 pandemic posed a significant operational challenge to OBN, as the services of nurses were in higher demand while at the same time certain aspects of the processing of applications were hindered by the pandemic. Prior to the COVID-19 pandemic, OBN's staffing and processes generally remained consistent. At the end of 2020, OBN began to experience increased processing times for applications. This increase is attributed to a multitude of factors related to disruption of services due to the COVID-19 pandemic. These factors include the closing of NCLEX testing centers, inefficient or redundant application processes, and delays related to background checks. In addition, House Bill (HB) 197 and HB 6, of the 133rd General Assembly, which required OBN to issue thousands of temporary nursing licenses to perspective nurses, significantly increased the Board's workload. In response to these challenges, OBN undertook a process improvement initiative that resulted in a reduction of inefficient steps, removal of redundant steps, addition of automation, and the identification of needed additional staff. Since the process improvement initiative, OBN has significantly improved its application processes times. Renewal applications are processed through a fully automated process and therefore, were not impacted or assessed in as much detail.

KEY OBSERVATIONS

Key Observation 1: Since 2018, the number of applications submitted to OBN has continuously increased. Over the past five years, the average number of days an application was open peaked in 2021 with May being the worst performing month at an average of 103 days open. After undertaking a process improvement initiative, updating its application processes, and hiring additional staff, the average days open for an application in May of 2023 was down to 40 days, a 62 percent decrease between 2021 and 2023.

Key Observation 2: We found that OBN does not set any public expectations for wait times once a completed application is submitted. However, internally, OBN expects to process a completed application within one to two days. We reviewed the expected wait times for completed applications in other states and found the average expected wait time to be approximately 26 days.

Key Observation 3: We attempted to review the average amount of time it took OBN to review and process each submitted document within a nursing application. Due to data limitations within eLicense, however, we were unable to use data aggregation¹ to see when a document was received, reviewed, then accepted by OBN staff.

Key Observation 4: OBN has embraced continuous improvement after the Lean Ohio Kaizen event and has made efforts for all of its employees to receive additional training for Six Sigma. All of OBN's staff have completed White Belt and Yellow Belt trainings through LeanOhio and additional staff have Camo and Green Belts. Additionally, they continue to seek more efficient processes in accordance with Six Sigma principles.

SUMMARY OF RECOMMENDATIONS

Recommendation 1: The licensing process has multiple milestones that must be met in a specific order prior to a license being issued to a nurse or medical professional. Due to data limitations, we were unable to determine how long it took for applications to move through these specific processes. The Board should work to identify program functionality that would allow for the collection of more detailed processing data. Once the program functions are identified, OBN should work with ODAS to implement changes. Once additional functionality is implemented, the Board will be able to better monitor the efficiency and effectiveness of its internal process steps and overall processes.

¹ Data aggregation is the process where raw data is gathered and expressed in a summary form for statistical analysis.

Recommendation 2: OBN does not currently set processing time targets and utilize available data to inform staffing decisions. Further, certain data elements in the eLicense system are not structured in a way that enables boards to isolate and analyze performance within key parts of the licensing process as noted in [Recommendation 1](#). OBN should identify and collect the necessary information to allow the board to understand the root causes of performance issues and processing delays, then use that information to set application processing time targets. Once targets are identified, OBN should adjust staffing levels to meet these processing time targets. Using data that is currently available, OBN should set application processing time targets, as other states do, then adjust their staffing levels to meet these targets.

Recommendation 3: OBN is currently receiving the results of applicants' background checks in several formats, via paper, an emailed file, and in an electronic database. Copies received via the paper route entail additional staff time to process, and the paper format does not provide any value beyond the emailed copies. At least one other licensing board in Ohio has successfully arranged with the AG to eliminate the reception of all paper copies. If OBN can come to a similar agreement with the AG to eliminate paper, they will free up staff time for more productive tasks and save the taxpayer postage expense.

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Introduction

Nurses, and other medical professionals licensed by the Ohio Board of Nursing (OBN or the Board), provide critical services that ensure the health and safety of all Ohioans. OBN is a safeguard for public health in Ohio and has the task of overseeing the nursing profession through compliance, regulation, and licensing within the State. To succeed in its mission, OBN must process tens of thousands of applications for new licenses and certifications each year, ensure safe practices among those within the nursing industry, and protect Ohio patients through the enforcement of statutory and regulatory requirements.

On March 9th, 2020, in response to the COVID-19 pandemic, the Governor of Ohio signed Executive Order 2020-01D (the Executive Order). By doing so, a state of emergency was declared for the entire State, allowing for State resources to be allocated towards protecting the lives, safety, and health of Ohioans. Over the next month, testing centers for the National Council Licensure Examination (NCLEX) closed across the state, preventing potential Ohio nurses from completing the final step for their nursing license. Without the additional support of newly licensed nurses, a significant strain was put on nursing staffs across Ohio who were just beginning the battle against COVID-19.

On March 25th, 2020, in response to the demand for additional medical professionals, the Ohio legislature passed Substitute House Bill (HB) 197 of the 133rd General Assembly. Substitute HB 197 included language that allowed OBN to grant a license to graduates of pre-licensure programs (See [Types of Licenses and Certifications](#)). Typically, new nurse applications are processed by OBN as nursing students are finishing their coursework and preparing to take their exam that allows them to be a licensed nursing professional (see [Recommendation 1](#)). To be licensed, applicants must provide certain information and documents which require verifications during this process prior to an application being complete. Some examples include, course completion letters, transcripts, background checks, etc. Because of the legislation, OBN began to heavily focus on processing temporary licenses as quickly as possible, leaving applications for permanent licenses to become delayed.

As a result of issues that arose during the COVID-19 pandemic, the Auditor of State's Office initiated a performance audit of the Board, with the intent of identifying the cause of delays in the nursing application process and recommend improvements. However, the audit was delayed due to the Board's decision to undergo a Kaizen event through LeanOhio.² Kaizen events are working sessions designed to identify process improvements for organizations. For additional information on LeanOhio, Six Sigma, and Kaizen events, see [LeanOhio.gov](https://leanohio.gov).

After the completion of the Kaizen event, the Board implemented several process changes, which reportedly reduced application processing times. The Auditor of State's Ohio Performance Team then returned to OBN to conduct a performance audit designed to understand the impact of the Board's process improvement efforts. The Ohio Auditor of State, through its Ohio Performance Team is required by ORC § 117.46 to complete at least four performance audits of state agencies or, at its discretion, institutions of higher education during each biennium. This audit serves as one of the required performance audits.³

Lean Ohio Kaizen Event

In December of 2021, OBN staff including its licensure and certification team, managers, and subject matter experts attended a LeanOhio Kaizen training event (the Kaizen event). The Kaizen event had the goal of creating a simpler, faster, and better application process for both OBN and applicants. To reach this goal, OBN created a current process map and then identified inefficient and redundant process steps found within the map. After brainstorming ideas for improvements, OBN created a future-state process map. This new process map has been used to identify better application processes. After to the Kaizen event, process steps were reduced by 45 percent with over 40 action items identified. At the time of this audit, the majority of the action items were completed and being used in the application process. The remaining action items are considered unattainable in the near term due to software limitations regarding system integration.

Along with process updates, OBN made a concerted effort to hire additional staff to help with the influx of in-state applications but also the anticipated increase of multistate license (MSL) applications (see [Multistate License](#)). The staffing changes and its impact can be viewed in more detail in [Recommendation 2](#). OBN also signaled its embraced of Lean Ohio practices and tools, including both six sigma and Lean. By December of 2023, OBN expects 100 percent of their staff to have gone through Lean Ohio's white and yellow belt trainings. These trainings introduce core concepts of six sigma and Lean along with continuous improvement.

² The Office of LeanOhio is a part of the State Human Resources Division within the Ohio Department of Administrative Services. The LeanOhio team is comprised of Lean Six Sigma experts who serve as internal systems improvement consultants to State of Ohio cabinet agencies, boards, commissions, and elected offices.

³ Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines; see [Appendix A](#) for more details.

Ohio Board of Nursing

The Board provides a variety of services for nursing professionals within the State. These services include processing nursing licenses and certificate applications,⁴ investigating complaints made about practicing nursing professionals,⁵ establishing regulatory and practice standards,⁶ and approving education and training programs for nursing programs.⁷ OBN is self-sufficient through the collection of fees and receives no General Revenue Funding. In fiscal year (FY) 2023, the total budget for OBN was approximately \$13.2 million; OBN expended \$13.1 million.

Rules governing OBN are enshrined in Ohio Revised Code (ORC) Chapter 4723 and Ohio Administrative Code (OAC) Chapter 4723. OBN is to be overseen by a 13-member board who are appointed by the Governor with the advice and consent of the senate and consist of eight Registered Nurses, four Licensed Practical Nurses, and one member that is not a nurse who represents the interests of the consumer.⁸ Additionally, the Board has established advisory groups and committees that provide advice on current OBN programs. The advisory groups are composed of public citizens, Board staff, and a member of the Board that serves as the chairperson.

Financials

In Ohio, licensing boards are generally required to be self-sufficient by generating enough revenue to cover its expenses. The General Assembly, through the biennial budget process, is responsible for allocating operating funds to these agencies through various appropriations.

The revenue generated by OBN is deposited into the Occupational Licensing Regulatory Fund (Fund 4K90) which is used to collect revenue from many occupational licensing and regulatory board and commissions across the state. The General Assembly then uses Fund 4K90 to allocate operating funding to each contributing board in accordance with ORC § 4743.05.

In addition to Fund 4K90, OBN's receives appropriations from two other funds, each with its specific purpose: Fund 5AC0, and Fund 5P80. According to the Ohio Legislative Service Commission (LSC) the funds have the following descriptions.⁹

- **Fund 59C0 (Nurse Education Grant Program):** This line item is used to support the Nurse Education Grant Program. The Nurse Education Grant Program provides grants to Ohio nurse education programs that have partnerships with health care facilities,

⁴ ORC § 4723.09, 4723.11, 4723.42, 4723.65, 4723.75, and 4723.81.

⁵ ORC § 4723.28 (H).

⁶ ORC § 4723.07 and OAC 4723.

⁷ ORC § 4723.06, 4723.07 and OAC 4723-5-02.

⁸ ORC § 4723.02.

⁹ [Ohio Legislative Service Commission: OBN Green Book for FY 2024 and FY 2025](#)

community health agencies, patient centered medical homes, or other education programs to establish partnerships that will increase the enrollment capacity of the nurse education programs. Each quarter, the Director of the Office of Budget and Management (OBM) transfers \$10 from each nurse license renewal from Fund 4K90 to the Nurse Education Grant Program Fund (Fund 5AC0).

- **Fund 5P80 (Nursing Special Issues):** The Board uses this appropriation to support activities that address patient safety and health care issues related to the supply and demand for nurses and other health care workers. The fund that supports this line item accepts grants and gifts to help fund programs. This fund is authorized in ORC § 4723.062 Nursing Special Issue Fund.

These three Funds make up the entirety of the Board’s appropriated funding. As seen in the table below, the vast majority of funding is appropriated from Fund 4K90 for operational expenditures.

Operating Expenses by Fund

Year	Fund 4K90	Fund 5AC0	Fund 5P80	Total
2018	\$8,252,194	\$1,518,480	\$500	\$9,771,174
2019	\$8,890,672	\$1,513,500	\$500	\$10,404,672
2020	\$10,211,372	\$1,513,000	\$500	\$11,724,872
2021	\$10,123,599	\$1,513,000	-	\$11,636,599
2022	\$11,438,411	\$1,513,000	\$500	\$12,951,911
2023	\$11,641,655	\$1,513,000	-	\$13,154,655

Source: OAKS GL 28

The appropriations provided by the General Assembly are based on the Board’s expected revenues and expenditures. The Board is expected to generate enough revenue through licensing fees to cover operational expenditures. The following section provides additional details on this topic.

Revenues & Expenditures

Approximately 99 percent of the revenue generated by the Board is from fees; both initial licensing fees and renewal licensing fees. Once a license is issued, individuals must renew the license every two years on a set schedule based on license type, as seen in the table on the following page. Because the vast majority of licenses are renewed on the odd-year cycle, the revenue generated by the Board varies significantly between odd and even years.

Renewal Dates

License or Certificate Type	Renewal Cycle
Registered Nurses	Odd Numbered Years: July 1-October 31
Advanced Practice Registered Nurse	Odd Numbered Years: July 1-October 31
Licensed Practical Nurse	Even Numbered Years: July 1-October 31
Community Health Worker	Odd Numbered Years: January 1-March 31
Dialysis Technician	Odd Numbered Years: January 1-March 31
Medication Aide	Even Numbered Years: February 1-April 30

Sources: ORC § 4723.24, ORC § 4723.07, OAC § 4723-26-04 (G), OAC § 4723-23-05 (F), OAC § 4723-27-08 (F)

Once an applicant has verified their information and submitted their continued education requirement, the applicant must pay the renewal fee for their specific license or certificate. Below is a table showing the license or certificate type and the renewal fee associated with each license or certificate many of which are set by ORC and OAC.

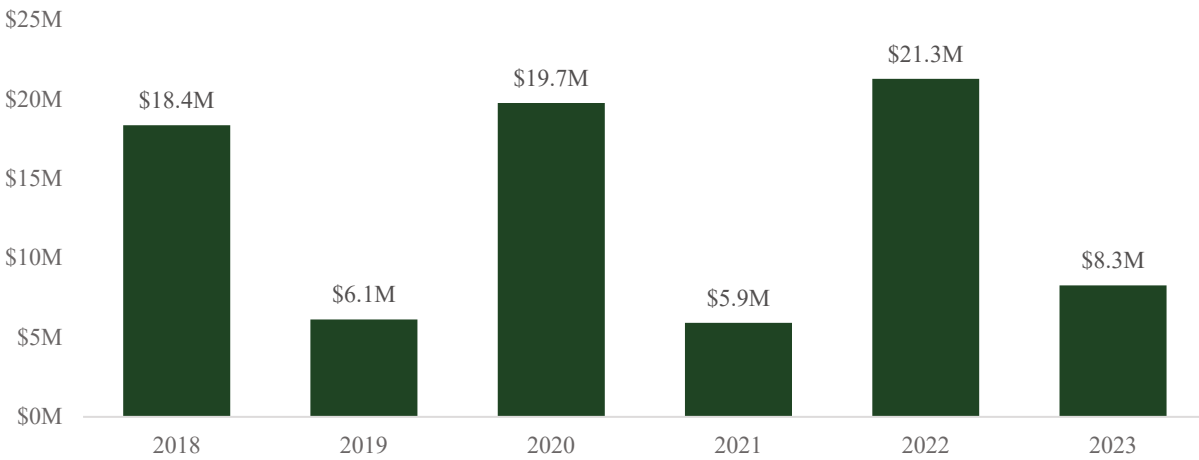
Renewal Fees

License or Certification Type	Renewal Fee Amount
Registered Nurses	\$65
Licensed Practical Nurse	\$65
Advanced Practice Registered Nurse	\$135
Dialysis Technician	\$35
Community Health Worker	\$35
Medication Aide	\$50
Multistate License	\$75

Source: ORC § 4723.08, OAC § 4723-26-04(B)(2), OAC § 4723-23-05(B)(2), OAC § 4723-27-10, OAC § 4723-11-02(A)(3)

The chart on the following page shows the revenue generated by the Board between 2018 and 2023.

OBN Revenue by Year

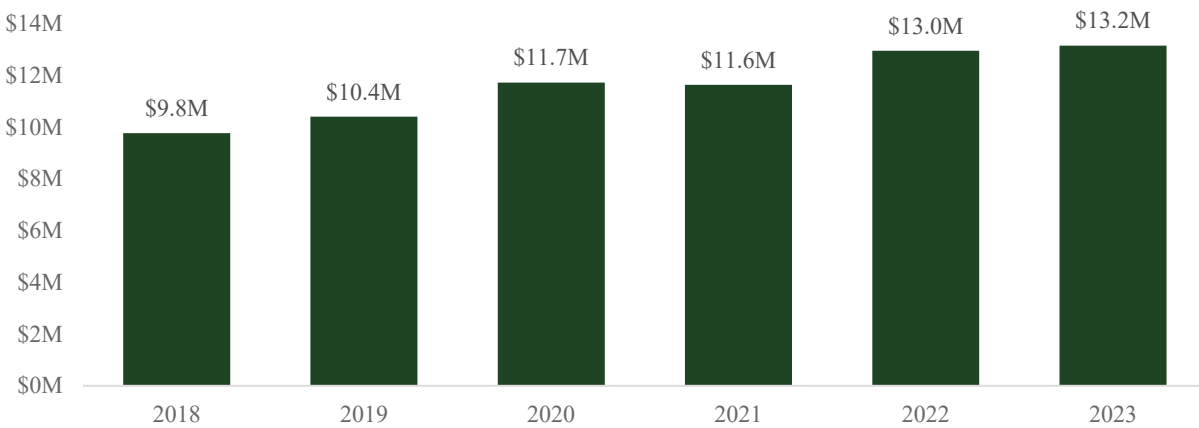


Source: OAKS GL 27

Like all state agencies, boards, and commissions, the Board’s budget is appropriated by the state legislature during Ohio’s biannual budget process. While the revenue for OBN is cyclical in nature, the budgeting process can take into account the revenue over multiple years and ensure sufficient funding is available to meet operational needs.

In FY 2023, OBN expended approximately \$13.2 million. Of this, approximately 89 percent of the total expenditures went towards Operating Expenses. In FY 2023, approximately 74.4 percent of operating expenses went towards salaries and wages.

OBN Expenditures by Year

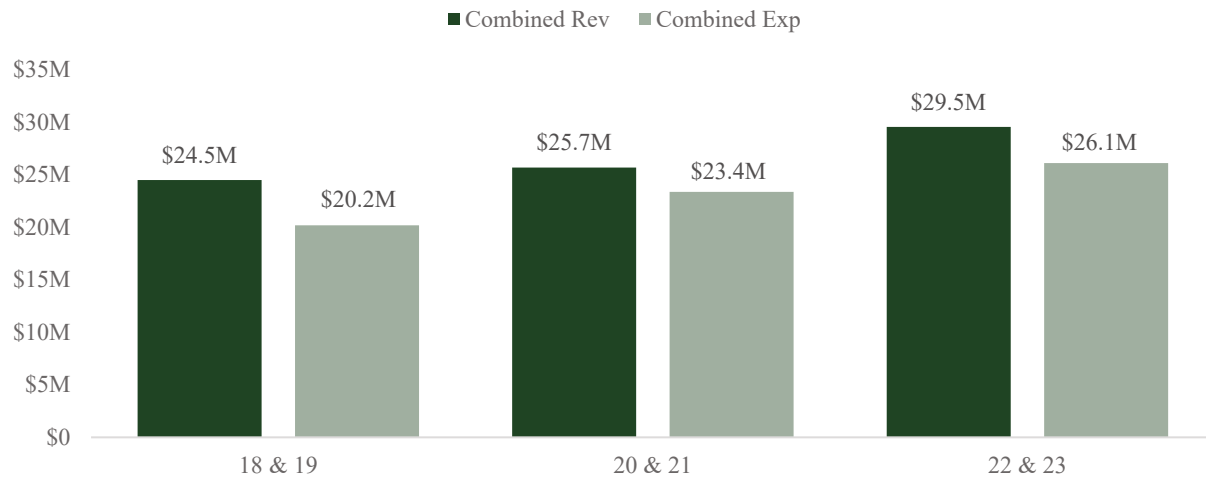


Source: OAKS GL 28

Two-Year Cycles

Viewing the revenues and expenditures on two-year cycles offers a wholistic view of the financial standing of OBN. Combining both the revenue and expenditures on a biennial basis shows a surplus of revenue for each biennial grouping. Because the Board is almost completely funded through fees, this comparison shows that licensing fees are sufficient.

OBN Combined Revenues and Expenditures 2018 - 2023



Source: OAKS GL 27 & GL 28

OBN Operations

There are currently five units under the leadership of the Executive Director: administration, compliance and regulation, licensure and certification, education and practice, and information technology. These five areas have a total of 71 full-time equivalents (FTEs), 2 part-time, 4 intermittent, and 13 board members, with the two largest being 43 FTEs on the compliance and regulation team and 23 FTEs on the licensure and compliance team. While each area has its own tasks and responsibilities, many of the processes are intertwined. For example, during the nursing license application process, which is handled by the licensure and certification team, an applicant must pass a background check which are processed by the compliance and regulation team before an applicant is moved forward in the application process.

Licensure & Certification

Nursing professionals must be licensed or certified by the State to practice in Ohio. In calendar year (CY) 2022, OBN licensed or certified over 27,000 new nursing professionals, a significant increase compared to CY 2018 which saw just over 19,000 new nursing professionals. Demand for nurses is high along with the need for streamlined license and certification processes by OBN. The need has been so great that legislation, Ohio House Bill 285, was introduced in October 2023 requiring hospitals to establish nurse staffing plans to address the staffing shortage.

The licensure and certification team has 23 FTEs, with 11.5 FTE working on processing applications as of July 2023¹⁰. The team focuses primarily on processing applications for a variety of nursing application types and ensuring that each application has submitted the accurate and necessary requirements to fulfil the application in addition.

Types of Licenses and Certifications

There are six types of licenses and certifications that OBN issues¹¹. Additionally, there are temporary versions of several of the licenses which allow for similar working capacity as a full license but are only valid for 180 days. Below is a table explaining the types of licenses that OBN processes.

¹⁰ The remaining FTEs work in customer service, process name changes, MSL conversions, and transcripts.

¹¹ OBN also issues Multi-State Licenses which is only applicable to RN and LPN licenses.

License or Certification Type	Education Requirement	What Can They Do?
Registered Nurse (RN)	Requires at least a two-year degree from a nursing education program approved by the OBN.	Provide nursing care requiring specialized knowledge, judgement, and skill.
Licensed Practical Nurse (LPN)	Requires completion of an approved LPN program, typically taking 12-18 months.	Provide nursing care requiring the application of basic knowledge at the direction of a RN, physician, physician assistant, dentist, podiatrist, optometrist, or chiropractor.
Advanced Practice Registered Nurse (APRN)	Must be a licensed RN and obtain a master's or doctoral degree in a qualifying nursing specialty.	Provide nursing care that requires knowledge and skill obtained from advanced formal education. They can perform physical exams, prescribe medications, and order lab and radiology tests.
Community Health Worker (CHW)	Requires a high school diploma and completion of an accredited CHW training program.	Assist in improving quality of care and breaking down cultural barriers to treatment. They work to connect members of their community to healthcare.
Dialysis Technician (DT)	Requires a high school diploma, completion of an accredited DT training program, passing a certification exam, and performing dialysis care for 6 months prior to applying.	Implements the prescribed dialysis care order for the patient when delegated by a physician or registered nurse
Medication Aide (MA)	Completion of an accredited medication aide training program, and passing a board approved examination.	Administers prescription medications when delegated by a nurse. MA's do have some restrictions on what types and methods of medication they are permitted to administer.

Compliance & Regulation

The compliance and regulation team is tasked with ensuring that those within the nursing profession, or those hoping to enter the profession, are meeting the regulatory requirements set forth by ORC and federal law. Violations, complaints, or compliance issues on applications are investigated by OBN’s compliance and regulation staff. Ultimately, OBN is responsible for ensuring that those within the nursing profession are suitable for their respective duties and responsibilities. The licensure and certification teamwork in tandem with the compliance and regulation team during the initial application process and renewal application process. Applications with any compliance or regulation issues cannot proceed until a decision has been made by OBN. For this audit we reviewed the compliance and regulation team’s staff, the processes for handling compliance issues during the nursing application process, and the background check processes.

Ohio’s Nurse Practice Act

Enacted in 1915, the Ohio’s Nurse Practice Act (the NPA) set regulations on the nursing profession within the State regarding education, competence, and standards of practice. Today, the NPA is set forth in ORC Chapter 4723 and OAC Chapters 4723-1 through 4723-27.

Compliance & Regulation Staffing

There are three units within the compliance and regulation team: investigations, enforcement, and monitoring. The investigations unit works with background checks during the application process and handles complaints regarding current nursing professionals submitted to OBN. The enforcement unit reviews and sends the investigation team’s work to a case attorney to compare to the NPA. The monitoring unit will watch and stay in contact with any person being investigated. OBN has 43 staff split between these units and include positions such as legal professionals, compliance agents, enforcement agents, monitoring agents, and other administrative professionals.

Compliance Questions on Applications

Before an application is considered for review by the licensure and certification team, applicants are required to answer a series of compliance questions. Among these questions include self-identifying any previous criminal records, ensuring the applicant can legally work in Ohio, and inquiring if the applicant has had any prior disciplinary actions taken against them. If an applicant answers “yes” to any of the compliance questions, the application is sent to the compliance and regulations team for review. During the review, the applicant may be contacted to provide context or answer specific questions related to the compliance issue.

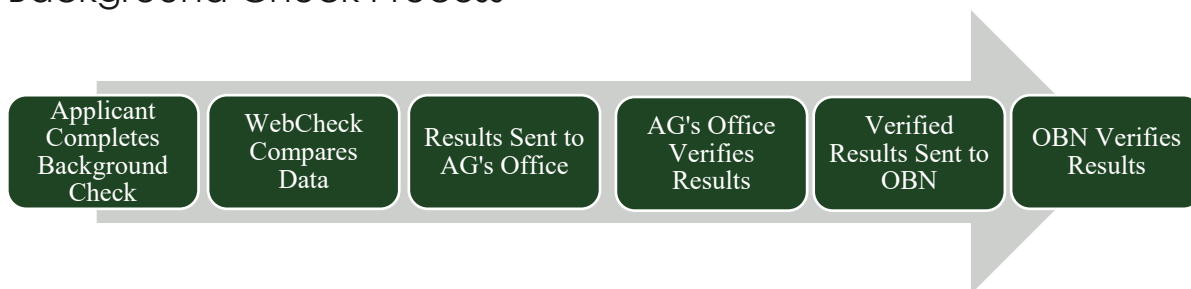
Background Check Processes

Per ORC § 4723.091 applicants for nursing licensure in Ohio must complete a criminal records check. The compliance and regulation team processes completed Federal Bureau of Investigation (FBI) and Ohio’s Bureau of Criminal Investigation (BCI) background checks for nursing profession applications. For the background check, applicants must have their fingerprints submitted. During the background check process, applicants must indicate that the background check will be sent to OBN. Once a background check is completed, it is sent to the Ohio Attorney General’s (AG) office for processing. Processing includes indicating if a background check has a criminal record, or a “hit”. If there is a “hit” the AG’s staff will verify the background check’s accuracy before sending to OBN. At OBN, the compliance and regulation team may receive background checks via paper copy and electronic copy at which point the background checks are checked again for accuracy. Background checks that do not have a criminal record are destroyed; background checks with a criminal record are investigated.

“Hit” vs “No Hit”

When discussing background checks, licensing boards will often refer to a background check with a criminal record as having a “hit” and without a criminal record as a “no hit”. Because this terminology is used through both out discussions with OBN and other boards during the performance audit, we will continue to use those same terms throughout the report.

Background Check Process



Background checks are received by OBN in two ways, electronic and paper copy. The way in which a background check is sent is determined by whether the background check has a “hit” or not. Background checks with no “hit” are sent to OBN via paper copy, at which point OBN verifies the information and then destroys the background check. If a background check has a “hit”, this will be sent via electronic copy at which point OBN will review the background check and start the initial investigation. This process can include requesting more information from the applicant and inquiring further regarding the criminal record. After an investigation, OBN will decide on whether the application process can continue as is, if there will be limits set on the applicant’s job duties, or if the application for licensure is outright denied.

House Bill 263

In October 2021, House Bill 263 (HB 263) went into effect and primarily impacts the initial licensing process. HB 263 removed disqualifiers during the initial licensing process such as “moral

turpitude” and “lack of moral character” for initial licensing applicants. Ohio licensing boards, including OBN, are required to post disqualifying offenses that are directly related to a licensee’s occupational duties or responsibilities and must comply with the changes from HB 263. Below is the stance of OBN on disqualifying offenses:

OBN does not have the authority to make a determination or take action until an application has been filed. If an applicant has a criminal history, OBN conducts a thorough investigation and considers a number of factors, including but not limited to: whether the applicant has made restitution, completed probation and/or otherwise been rehabilitated; the age of the offense; the facts and circumstances underlying the offense; and the total number and pattern of offenses.

Please also be advised that although OBN may grant a license to an applicant who has a criminal offense history, an individual may be restricted from working in certain settings based on his or her criminal history due to federal and state laws, which require criminal records checks prior to employment in certain settings, and which may impose absolute or discretionary bars to employment in certain patient care settings, for example, in facilities or settings involving care provided to older adults or children. See, e.g., Ohio Administrative Code 173-9-07; 3701-60-07; 5123:2-2-02; 5160-45-07.¹²

Ultimately it is up to OBN whether an applicant has failed to meet the minimum requirements during the initial application process. Additionally, while HB 263 applies to the initial application process, the disqualifications eliminated by the bill does not apply to renewal applications.

WebCheck

During the background check, an applicant must have their fingerprints scanned to compare to a criminal database of fingerprints. OBN encourages applicants to use WebCheck locations for this process as the fingerprint scanner is electronic, is quickly processed, and uses the FBI database to compare data nationwide. Electronic fingerprinting systems are deemed reliable and are being implemented in other states, as well as at a federal level.

WebCheck is a program developed by the BCI and has about 800 locations across all Ohio counties. According to BCI, the main advantage, when compared to ink printing, is the speed. WebCheck can get reports back within 3 days, while inked print cards can take 30+ days to get the report. Through WebCheck, agencies transmit fingerprints and other data electronically to BCI to be compared against a database of criminal fingerprints to determine if the applicant has a criminal record. OBN does still have the option for ink fingerprinting for those that reside outside of Ohio and are unable to appear in Ohio for electronic fingerprinting.

¹² [OBN’s Disqualifying Offenses.](#)

Disciplinary Actions

ORC § 4723.28 contains the disciplinary actions that the Board may take regarding current or prospective nursing professionals. The Board may deny, revoke, suspend, or place restrictions on a nursing professionals license or certification. For nurses that have a license or certificate, the Board may reprimand or fine the individual. The Board may also come to a consent agreement with the individual to resolve the allegation of a violation.

What We Looked At

There were two scope items for this audit: how have processing times of licenses and certification changed over the last five years and how can OBN improve efficiency and effectiveness as it relates to the compliance and regulation team. To achieve these objectives, we reviewed substantial nursing license and certificate application data, reviewed OBN application processes, reviewed staffing levels for both the licensure and certification and compliance and regulation teams, and reviewed compliance and regulation processes.

What We Found

Since 2018, the number of applications submitted to OBN has continuously increased. The average number of days an application was open peaked in 2021 during COVID-19. The lowest performing month during this period was an average of 103 days open. After attending a Lean Ohio Kaizen event, updating its application processes, and hiring additional staff, the average days open for an application was down to 40 days, a 62 percent decrease between 2021 and 2023.

We attempted to review the average amount of time it took OBN to review and process each submitted document within a nursing application. Due to data limitations within eLicense, however, we were unable to use data aggregation¹³ to see when a document was received, reviewed, then accepted by OBN staff. Further, based on the available data recorded in each application, we were unable to use sampling methods to test and analyze this data on a case-by-case basis.

We reviewed other state board of nursing processing times. This was done to understand the expectations for perspective nurses in other states and review how other states defined their processing times. We found that 24 other states have an official published timeline expectation and 26 do not have a published expectation. The published expectations typically referred to the timeline of when a review of a completed application would take place rather than how long a typical application would remain open or when a license would be issued. We also found that processing time data was generally not available on state board of nursing websites, however the

¹³ Data aggregation is the process where raw data is gathered and expressed in a summary form for statistical analysis.

California Board of Nursing shows which cohort they are processing and is updated on a regular basis. Of the 24 states, we found that the average number of days given to be 26 while the median was 17. It should be noted that OBN has an internal policy of issuing a license within one to two days of a completed application.

While OBN has taken steps to improved its processes, our audit found three recommendations that could further help to improve the efficiency and effectiveness of OBN operations.

Summary of Recommendations

Recommendation 1: The licensing process has multiple milestones that must be met in a specific order prior to a license being issued to a nurse or medical professional. Due to data limitations, we were unable to determine how long it took for applications to move through these specific processes. The Board should work to identify program functionality that would allow for the collection of more detailed processing data. Once the program functions are identified, OBN should work with ODAS to implement changes. Once additional functionality is implemented, the Board will be able to better monitor the efficiency and effectiveness of its internal process steps and overall processes.

Recommendation 2: OBN does not currently set processing time targets and utilize available data to inform staffing decisions. Further, certain data elements in the eLicense system are not structured in a way that enables boards to isolate and analyze performance within key parts of the licensing process as noted in [Recommendation 1](#). OBN should identify and collect the necessary information to allow the board to understand the root causes of performance issues and processing delays, then use that information to set application processing time targets. Once targets are identified, OBN should adjust staffing levels to meet these processing time targets. Using data that is currently available, OBN should set application processing time targets then adjust their staffing levels to meet these targets.

Recommendation 3: OBN is currently receiving the results of applicants' background checks in several formats, via paper, an emailed file, and in an electronic database. Copies received via the paper route entail additional staff time to process, and the paper format does not provide any value beyond the emailed copies. At least one other licensing board in Ohio has successfully arranged with the AG to eliminate the reception of all paper copies. If OBN can come to a similar agreement with the AG to eliminate paper, they will free up staff time for more productive tasks and save the taxpayer postage expense.

Recommendation 1: Identify Needed Program Functions Within eLicense to Improve Data Collection Practices

The licensing process has multiple milestones that must be met in a specific order prior to a license being issued to a nurse or medical professional. Due to data limitations, we were unable to determine how long it took for applications to move through these specific processes. The Board should work to identify program functionality that would allow for the collection of more detailed processing data. Once the program functions are identified, OBN should work with ODAS to implement changes. Once additional functionality is implemented, the Board will be able to better monitor the efficiency and effectiveness of its internal process steps and overall processes.

Impact

System enhancements to eLicense could allow for more detailed data collection which would allow the Board to have better business intelligence decision making opportunities. Having these system enhancements would result in additional data which would provide OBN with the ability to track processing times by process step. Analyzing processing times by process step would give insight into which steps may need adjusted, or where additional system integration would be beneficial. Ultimately, OBN would then be able to further improve processing times and customer relationships.

Background

Licensing and Certification Processes

Currently, a nursing professional applicant must complete several steps before becoming licensed or certified. While each license or certificate type has its own requirements, the general steps taken include paying a license or certificate fee, passing a background check, providing proof of education, and passing an examination. Once these steps have been completed, an applicant is granted a license or certificate by OBN.

There are three ways in which an applicant can become fully licensed or certified in Ohio, through examination, such as the National Council Licensure Examination (NCLEX), through reciprocity¹⁴, also known as endorsement, or through an active military temporary license.¹⁵ Over the past 5 years, more than 97 percent of application requests have been for examination or

¹⁴ A reciprocity application is for nursing professionals that have a current nursing license outside of Ohio and have moved to Ohio with the intention of practicing nursing in Ohio. See [Reciprocity Application](#).

¹⁵ Active Military Temporary License does not apply to Volunteer Certifications or CHWs.

reciprocity; 61 percent of applications requests were through examination while approximately 36 percent were through reciprocity.

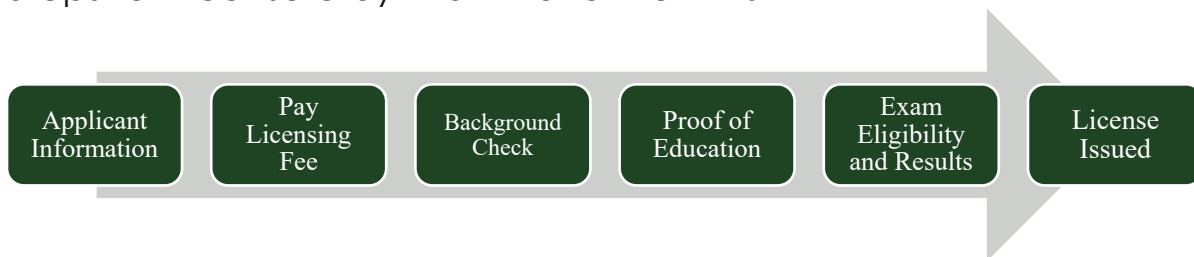
Licensing or certification through examination is available for RNs, LPNs, and DTs while licensing through reciprocity is available for RNs and LPNs. For an example of the examination application steps, see [Examination Application](#), for reciprocity applications see [Reciprocity Application](#). Each application process has varying requirements and steps, but all nursing professionals will need to meet the minimum requirements set forth in the ORC and OAC to become licensed or certified in the State.

Examination Application

OBN has received over 100,000 examination applications since 2018. Applications are submitted through eLicense Ohio Professional Licensure System. eLicense was launched by the Ohio Department of Administrative Services (DAS) in 2016 with the intention of streamlining the occupational licensing system across Ohio’s boards. This system is a statewide licensing software utilized by 21 agencies, boards, and commissions in Ohio.

In general, there are six steps an applicant must take to become licensed or certified via examination.

Steps for Licensure by Examination for RNs



For OBN, the license application process begins once the applicant has paid the required fee and ends once the license has been issued. Below is a more detailed explanation of the steps an RN applicant must take to become licensed in Ohio along with the processes that OBN has for each step.

Step 1: Applicant Information

Each applicant must access eLicense and create an account using identifying information before indicating for which license from which board the applicant is applying. As of April 6, 2023, with the passing of Substitute House Bill 509, there are seven types of nursing licenses or certifications available in Ohio with three temporary license options:

- Registered Nurse;
- Licensed Practical Nurse;
- Advanced Practice Registered Nurse;

- Community Health Worker;
- Dialysis Technician;
- Medication Aide;
- Temporary Registered Nurse;
- Temporary Advanced Practice Registered Nurse;
- Temporary Licensed Practical Nurse; and,
- Multistate License

An applicant may begin the application process whenever they want, however applications are only valid for 365 days. Beginning in CY 2022, OBN now requests new nursing applicants to wait until about 60 days before their expected program completion date to begin an application.

Step 2: Pay Licensing Fee (OBN Processing Begins)

Once the applicant has entered the required information from the previous step, which includes answering compliance questions about the applicant’s background (see [Compliance & Regulation](#)), the applicant is required to pay a nonrefundable fee. Many fee amounts are set in ORC § 4723.08 and are dependent upon the license or certificate. Below is the most current fee schedule as of this audit.

License or Certification Type	Initial Fee Amount
Registered Nurse	\$75
Licensed Practical Nurse	\$75
Advanced Practice Registered Nurse	\$150
Dialysis Technician	\$35
Community Health Worker	\$35
Mediation Aide	\$50
Multistate License	\$100

Source: ORC § 4723.08, OAC § 4723-26-02(A)(2), OAC § 4723-27-10(A)(1), OAC § 4723-11-02(A)(1) and (2)

Fee payment is an automated process within eLicense. Once the fee has been processed, OBN will then begin to review the application for completed steps; if an applicant answers “yes” to any of the compliance questions, the application is automatically routed to the Compliance and Regulation team for further investigation (see [Compliance & Regulation](#)).

Step 3: Background Check

Every applicant must pass both a Federal Bureau of Investigation (FBI) and Ohio Bureau of Criminal Investigation (BCI) background check. These background checks use fingerprints and other data to determine if an applicant has a criminal record (see [WebCheck](#)). If an applicant’s background check comes back with an indication of a criminal record, the applicant’s background check and application will be sent to the compliance and regulation team (see [Compliance and Regulation](#)). If the applicant does not have any indication of a criminal record, the application is moved to the next step.

For OBN, this step utilizes system integration.¹⁶ For applicants that have not answered “yes” to a compliance question or have a criminal record, the application continues to the next step. If the applicant has an indication of a criminal record, the compliance team will review or investigate the record. Once a decision has been made, the compliance and regulation team will update the eLicense account for the applicant indicating if they can be licensed or certified.

Step 4: Proof of Education

Each type of license or certificate has varying education requirements. For example, an RN requires at least an associate degree in nursing while an APRN requires an advanced degree with specialization.¹⁷ Applicants must provide proof of education from the education program they completed. The accredited institution must send proof via transcripts or course completion letters to OBN.

OBN created a “Secure File Transfer Protocol” (SFTP) for the 10 education programs with the highest number of annual nursing graduates. The SFTP allows education programs to directly import program completion letters into eLicense and are automatically synched with an applicant’s profile via identifying information. The SFTP currently reaches about 25 percent of licensure applicants; OBN has a goal of reaching 50 percent of licensure applicants in the near future.

Step 5: Examination and Results

RNs and LPNs must take and pass the NCLEX to become licensed in Ohio as the NCLEX is the foremost national nursing licensure exam. Typically, a nursing student will attempt the NCLEX within the first two months post-graduation. To pass the NCLEX the test taker must score high enough to be considered competent at an entry level. Once the NCLEX is passed, the applicant will receive a notification from OBN that they are officially licensed in Ohio.

On the processing side, OBN will be notified by the testing company that an applicant has passed their exam. Once this notification is received by OBN, the licensing staff will update the applicant’s profile with the test result then send the applicant a notification of the result. OBN will also send an email to the applicant congratulating the newly licensed nurse on their success along with the inclusion of their license and license number. For applicants that have failed the exam, OBN will notify the applicant along with the next steps that need to be taken.

¹⁶ System integration is when the host system has a direct connection to an external data source which automatically populates some aspect of the host’s system. These integrations can be continuous or scheduled and can be automatically triggered or manually triggered. Many steps during OBN’s application process are completed through system integrations to external sources. For example, when a university submits transcript records for an applicant and the transcripts are received by OBN, the transcripts may automatically be applied to the application of an applicant depending on the nursing program and application type. While some steps have full system integration, some steps have limited system integration or no system integration at all. This is due to eLicense and external systems being unable or unwilling to communicate and automate a step in the process. Currently, system integration generally applies to school records, background checks, and exam results.

¹⁷ ORC § 4723.06(A)(5) and ORC § 4723.41

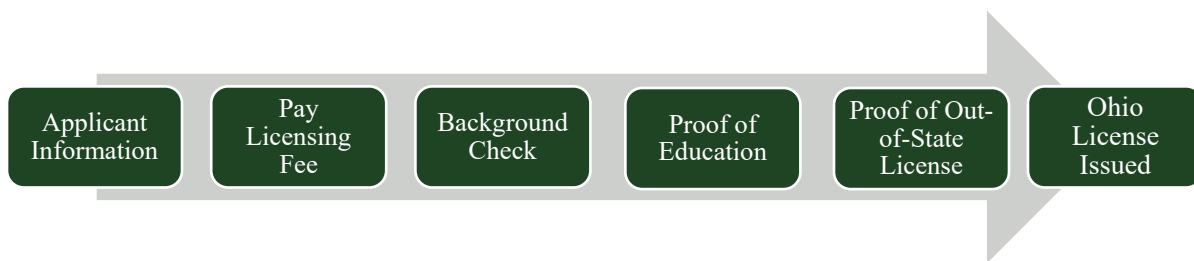
Step 6: Issued License

Once the license is issued, the processing for the licensure and certification team is generally finished with the applicant until the renewal period.

Reciprocity Application

A reciprocity application is for nursing professionals that have a current nursing license outside of Ohio and have moved to Ohio with the intention of practicing nursing in Ohio. The main difference between an examination application and reciprocity application is that a reciprocity application is reserved for those that currently hold a nursing license. This means that applicants will still be required to pay a licensing fee, pass a background check, and provide proof of education, but will not need to retake the NCLEX. The applicant is required, however, to provide proof of their current nursing license, as nurses need to pass a national standardized nursing examination that is considered appropriate for the license or certificate type; for RNs and LPNs this is typically the NCLEX.¹⁸

Reciprocity License Application Example



As of January 1, 2023, Ohio issues and accepts multistate licenses. These licenses can be applied for during the initial examination licensing application, reciprocity licensing application, or renewal application processes.

Multistate License (MSL)

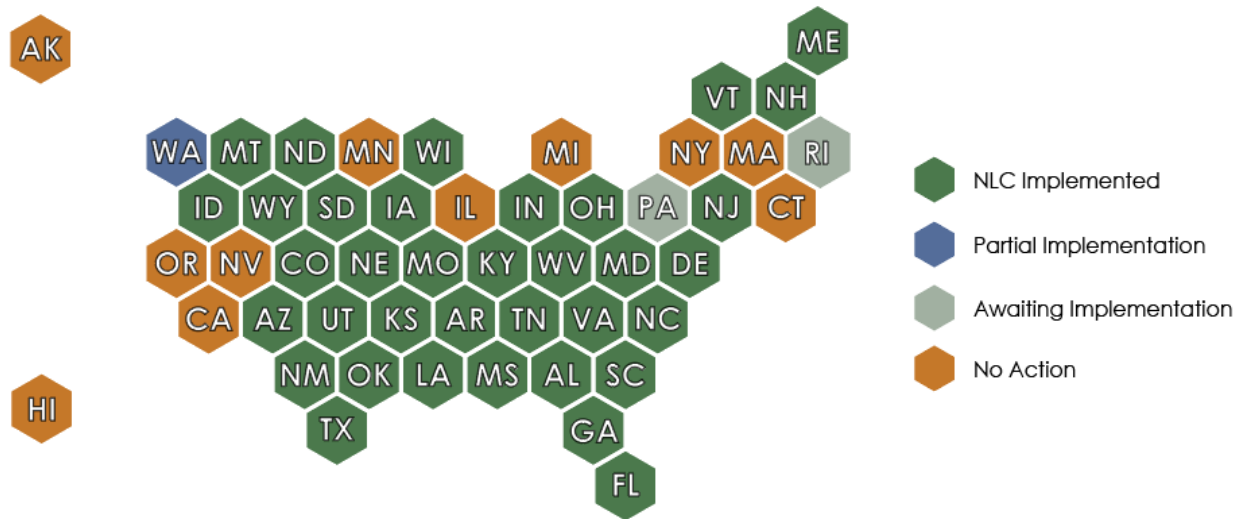
Ohio joined the Nurse Licensure Compact (NLC) in the beginning of January 2023. The NLC is part of the Interstate Commission of Nurse Licensure Compact Administrators (ICNLCA) which is an organization that maintains uniform licensure standards among state boards of nursing in the United States. The ICNLCA implements multistate licenses for nurses which allows RNs and LPNs to apply for a nursing license that authorizes nurses to practice in multiple states.

When a nurse is granted an MSL, they can practice in any NLC jurisdiction, including telehealth work. For MSL applicants in Ohio, the process to be granted an MSL is the same as being

¹⁸ ORC § 4723.09 (B)(1)(a)

licensed by examination, as the requirements for all Ohio nursing licenses meets the NLC requirements, the main difference being the fee amount is \$100 for an MSL.

NLC States



Source: NLC

ORC § 4723.11-116 contains the statutory requirements for the State around MSLs. In essence, these ORC Sections grant the State the authorization to license nurses with a specific type of license that allows for nurses to practice in other NLC jurisdictions while claiming a home state of Ohio. The main purposes for a state to join the NLC are to reduce redundancies and duplicative practices for nurses practicing in multiple states, creating uniformity for nurse licensure requirements, and reducing the complexity of nursing license applications. The general purposes of the compact, as it relates to nurses, is to protect public health and safety, encourage cooperation from party states, facilitate the exchange of information between states regarding regulation, investigation, and adverse actions, promote compliance with laws for practicing nurses, decrease redundancies during consideration and issuance of nurse licenses, and provide opportunities for interstate nursing practice.

As it relates to nursing applications, MSL applicants must be eligible for a nursing license and meet Ohio’s qualifications for a license before being considered for an MSL. A nurse must comply with the laws that the nurse is practicing in at the time the service is provided and is subject to courts and laws of the jurisdiction at the time which the nurse performs those services. MSL will not be recognized by states outside of the compact.

License & Certificate Renewals

Each nursing professional must renew their license or certificate every two years. Renewal applicants must pay a renewal fee, provide proof of continued education, and answer any

compliance questions related to background checks or disciplinary actions. It should be noted that for RNs, LPNs, and APRNs, nurses are not required to complete continued education for the period immediately following their Ohio licensure via examination. As it stands, OBN’s process for renewals is mainly automated. However, OBN audits renewal applications to ensure that continued education requirements are being met.

To renew a license or certificate, the applicant must log into their eLicense account and begin the renewal process. This process includes verifying or updating personal information, submitting continued education experience, and paying a renewal application fee. There is a specific renewal period depending on the type of license or certificate, if a license or certificate is not renewed during this period, the license or certificate will be considered lapsed.

Methodology

We initially defined processing times as the amount of time passed from when OBN received a document to when the document was reviewed or accepted by OBN for the correct application. As such, we attempted to review the processing times of each step during the application process using data aggregation. However, due to data limitations we were unable to view these data points for all applications, instead, we reviewed the overall process in the aggregate, from when an applicant has paid their license or certification fee, to when a license or certification was issued.

OBN utilizes Lean Ohio tools and practices. We identified a Lean Ohio practice, DMAIC, that OBN could utilize when it comes to identifying useful and collectable data. The DMAIC Methodology is explained with examples relative to OBN in the analysis below.

Lean Ohio Action Items

During the Kaizen Event, OBN created an Action Item Tracker. This item tracker lists over 40 different items that OBN hoped to change after the Kaizen Event to make their processes more efficient. The item tracker included steps that were simple updates to processes, such as providing applicants with better instructions, to introducing system integration to the application process. Of the 41 items, 27 were completed, 5 were not started, and 9 were tabled due to various reasons such as incompatibility with external software.

Analysis

As discussed, there are multiple steps in the licensing process, and each step must be completed prior to a license being issued. OBN does not track start and end dates for every step in the licensure and certification processes. For example, dates associated with when documents are received at OBN outside of eLicense are not maintained. This means that the Board cannot determine the length of time it takes for some individual tasks to be completed. The data that eLicense software currently tracks includes key dates such as when an applicant has paid their license or certification fee, when a background check was assigned to an application, and when a license was issued. This data allows for a summarized high-level view of how long an application is open before being either closed or having a license or certification issued but does not allow for summarized data of processing times for individual items in an application. For example, at a summarized high level for all applications, we were unable to see the time and date

of when a background check for an application was received by OBN to when that background check was reviewed and applied to the correct application. The same generally holds true for other application milestones.

Identifying opportunities for performance improvement requires understanding of processes, collecting useful data, and asking useful questions. OBN leadership has in-depth understanding of the entire application process and uses eLicense which allows for tracking data on applications and creating reports with the collected data to offer “snapshots” of process outcomes. We attempted to answer questions about the efficiency of OBN’s application process through data collected in eLicense and interviews with OBN. These questions included:

- What is the timeframe for when an external document comes into eLicense to being processed by OBN staff? What steps in the application process are causing delays? Are there steps that cause reoccurring delays on applications? Are different application types causing more delays than others? Are external connections during system integration causing more delays than others?
- What is the average workload and processing time for staff? Are license and certification staff being effective with their time while processing applications? Are there enough staff to handle the varying workloads throughout the year? How are staffing needs being met during the varying workloads?
- How long does a completed application take to process? Are there more steps that could be automated that would allow for more efficient processes? What other steps could applicants be asked to undertake before submitting information that would increase the application effectiveness.

We found that some of these questions could not be answered through data alone and required additional input through interviews with OBN. For example, time stamps for when OBN received an applicant’s documentation and when OBN applied this information to the proper application, were not able to be reviewed on a summarized level for each step in the process. This data limitation also inhibited our ability to sample for processing times. These system enhancements would allow for OBN to have this type of granular data which could allow for identification of which steps in the application process are not being processed in a timely manner. This information could also help OBN address potential issues if found, such as, expanding system integration or moving around additional staff to help with application processes. While viewing this intricate data was not an option, we adjusted our definition of processing time to match the data available. This meant that processing time became the time from when an applicant paid the application fee to when a license or certificate was issued. The observations and analyses can be found in [Recommendation 2](#).

What follows is how OBN can use tools and practices taught by Lean Ohio to identify system enhancements and potentially reduce processing times through process improvements.

DMAIC Methodology

OBN went through a Lean Ohio Kaizen event to improve its license and certification application process (see [Lean Ohio Kaizen Event](#)). Lean Ohio is a part of the Ohio Department of Administrative Services (DAS) and is comprised of Lean Six Sigma experts who serve as internal systems improvement consultants to the State. During the Kaizen event, the application process was analyzed to identify any wasteful and redundant processes in hopes of reducing redundancies and creating a more efficient application process. Both by attending the Kaizen event and through interviews with OBN leadership, it has been indicated that OBN has embraced continuous improvement.

Lean and Six Sigma tools and practices are championed by the American Society for Quality (ASQ) who offers training and certification for Lean and Six Sigma, respectively. Entities that utilize ASQ standards and practices, such as Lean Ohio, attempt to reduce waste, improve quality, and increase efficiency within organizational processes. ASQ tools include Lean, Six Sigma, and Lean Six Sigma for improving processes. Within the Lean Six Sigma tool set includes the DMAIC Methodology (DMAIC).

DMAIC stands for a five-step process Define, Measure, Analyze, Improve, and Control. The goal of using DMAIC is to improve, optimize, and stabilize existing processes. As it relates to OBN's application process, reducing defects could mean when a step during the application process does not meet the expected outcome. For example, when a step in the application process utilizes system integration and this system integration fails to automatically populate an applicant's information, this would be considered a defect in the process.

Define

The first step of DMAIC is to define an opportunity for improvement. ASQ includes using project charters, the voice of the customer, or other stakeholders for defining the opportunity for improvement. This step often begins with creating a process map to record every step of a process; OBN completed this step during the Lean Ohio Kaizen event including creating a future-state process map. It should be noted that understanding the needs of all stake holders is required for this step. For OBN this could include nursing applicants hoping to have their applications approved in a timely manner or hospitals hoping to have new nurses join their staff as quickly as possible.

Measure & Analyze

The second and third step in DMAIC is to measure and analyze. More specifically, measuring the existing process performance and analyze the process performance to determine root causes of poor performance, respectively. During the measuring step, it is important that the data collected is sufficient for a baseline record so that after improvements to the process, the impact is empirically verifiable. This step can include a capability analysis, which is when variability within a process is statistically measured. For the nursing application process, these

measurements could include measuring the success rate of their system integration or measuring the time it takes from when an applicant's information submission reaches OBN to when that information is processed, approved, or reviewed.

An analysis of the measurement data has a goal of finding the inefficient processes by determining the root cause of an inefficient step. The analysis step uses tools such as bench marking or TIMWOODS (see [LeanOhio](#) for further details). ASQ identifies three additional tools that can be used during this phase: root cause analysis, and failure mode and effects analysis. For OBN, these tools could be used to find at which steps system integration is not working as expected or understanding why steps are taking longer to be processed, approved, or reviewed. For any of these tools to lead to a successful conclusion of the root cause, having available and accurate measurements is needed.

Improve & Control

The final steps, improve and control, take place once the analysis phase has been completed. Improvements are made to the inefficient processes by addressing and eliminating the root causes found in the analyze phase. Controlling the improved process occurs after the improvements have been made. The final three steps, analyze, improve, and control, are all dependent on the quantity and quality of the data found in the measurement phase. As it relates to OBN, without having summarized data that would allow for an in-depth analysis of its processes, these final steps cannot take place.

OBN can use DMAIC to identify the information needed for the in-depth analysis required to further improve application processes.

Conclusion

While OBN has decreased the number of days an application is open prior to licenses being issued, based on available data, it is not possible to attribute reductions in processing times to specific improvement efforts. Without essential data that is currently not being collected, the Board cannot effectively monitor the licensing process and make strategic process improvement decisions in the future. The Board should identify how to best collect this missing data so that it can be analyzed and used to improve future performance. This could include identifying processing benchmarks and optimal staffing levels, as discussed in Recommendation 2.

Recommendation 2: Identify and Collect the Necessary Information to Set Formal Application Processing Time Targets. Once Formal Targets are Identified, OBN Should Monitor and Adjust Staffing Levels to Meet These Processing Time Targets.

OBN does not currently set processing time targets and utilize available data to inform staffing decisions. Further, certain data elements in the eLicense system are not structured in a way that enables boards to isolate and analyze performance within key parts of the licensing process as noted in [Recommendation 1](#). OBN should identify and collect the necessary information to allow the board to understand the root causes of performance issues and processing delays, then use that information to set application processing time targets. Once targets are identified, OBN should adjust staffing levels to meet these processing time targets.

Background

As explained in [Recommendation 1](#), we defined processing times as the time passed from when an application fee was paid to when a license or certificate was issued. This was due to data limitations such as being unable to track timestamps of each application step, such as from when OBN received information to when that information was processed by OBN, summarized for all applications.

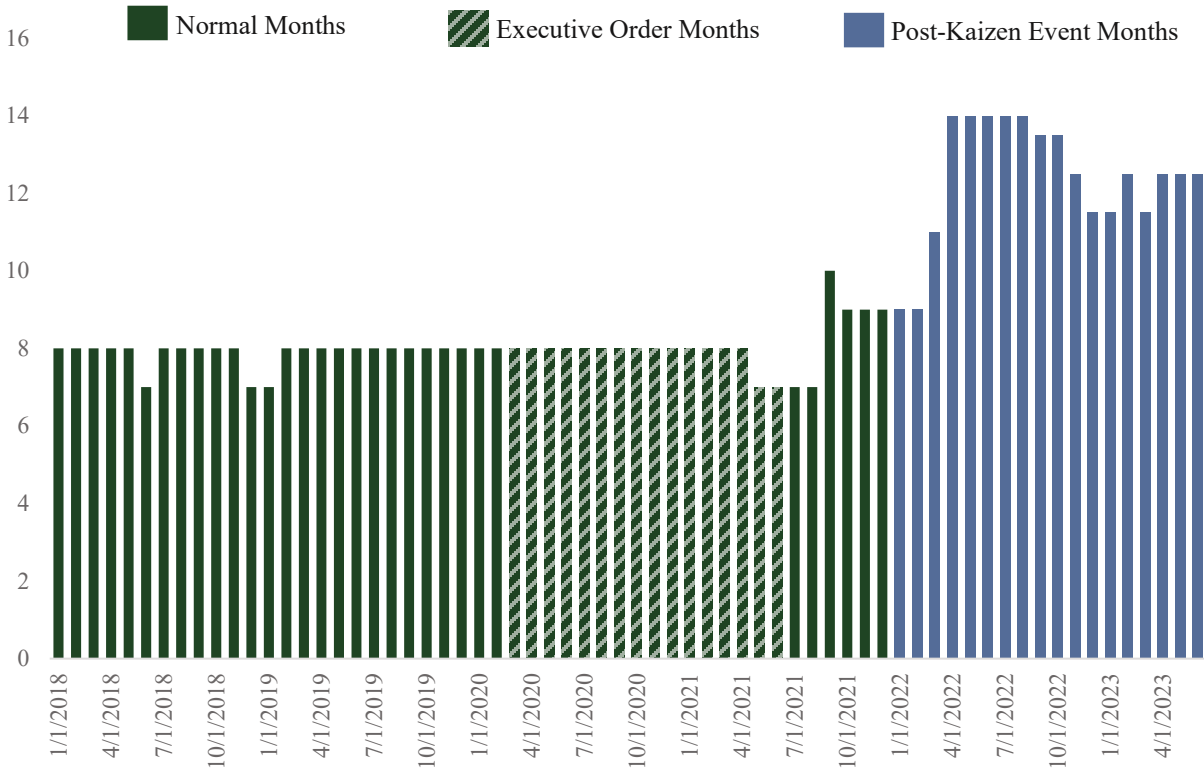
Application Processing Target Times

Currently, OBN's processing time targets are to have a license or certification issued within one business day of having a completed application (see [Licensing and Certification Processes](#)). We are unable to verify if this current goal is being met (see [Recommendation 1](#)), but by using available data in eLicense, OBN can set a target based on the average number of days applications are open per FTE.

Staffing Targets

As noted in the [Lean Ohio Kaizen Event](#), increasing the number of staff was deemed as a necessity to improve the processing times for licensing and certification applications especially with OBN offering multi-state licenses. From January of 2018 to February of 2022, OBN had an average of 8 FTEs processing applications. After the Kaizen event, OBN increased its staff; from March of 2022 to July of 2023 OBN averaged over 13 FTEs working on processing applications.

OBN Application Processing FTEs



Source: OBN

Methodology

We used eLicense to collect the following data from January of 2018 to July of 2023: total number of applications started (TAS), the date of when an application fee was paid, and the date of when a license or certificate was issued, and the total number of license or certifications issued. We removed applications that were not completed, open for over 365 days, as applications open for more than 365 days are closed.

We used the date from when a fee was paid and the date when a license or certificate were issued to calculate the average number of days applications were open (ADO). Using FTE data from January of 2018 to July of 2023, we normalized the data collections and produced the following calculations: TAS per FTE and ADO per FTE. These calculations were then used to better understand how both FTEs and improved processes from the Kaizen event were impacting the application process. Finally, we created an example for how OBN could use the ADO per FTE analysis to set a target and then staff around that target.

Analysis

In addition to the application process review we analyzed application data, staffing data, and quantitative data around the impacts that COVID-19, HB 197, and HB 6 had on the licensure and

certification team. It should be noted that we did not attribute the decreased processing times that occurred during 2020 through 2021 directly to one cause, such as COVID-19, inefficient processes, or low staffing; however, it is reasonable to believe that collectively, these circumstances and others mentioned below, negatively impacted the processing times of OBN during this period.

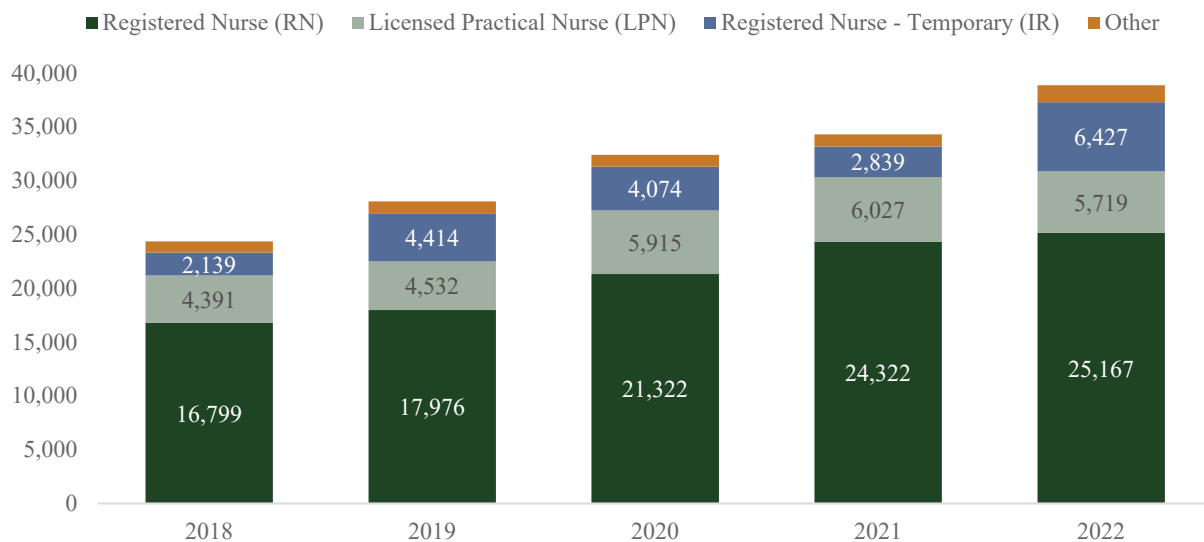
In the analyses that follow, the period of the Executive Order may be highlighted with striped lines while post-Kaizen event dates may be highlighted in blue. This is to give a wholistic view of the licensing and certification process over the past five years and call out important events such as COVID-19 and the Kaizen event.

Application Observations

As noted in [Recommendation 1](#), because key data elements are not being collected by OBN in the eLicense software or elsewhere, we defined the processing time of an application to be from when an application fee was paid to when a license or certificate was issued. These two dates give the total number of days an application was open. The process an applicant goes through may take weeks or months and is often dependent upon external entities such as an education institute submitting transcripts or the completion of a background check. Additionally, if an applicant must go through the Compliance and Regulation review process, this may add additional time to the application process.

From CY 2018 to CY 2022, the total number of applications OBN received increased by an average of 12.5 percent each year. The total number of RN applications and temporary RN applications peaked in CY 2022.

Total Applications Started

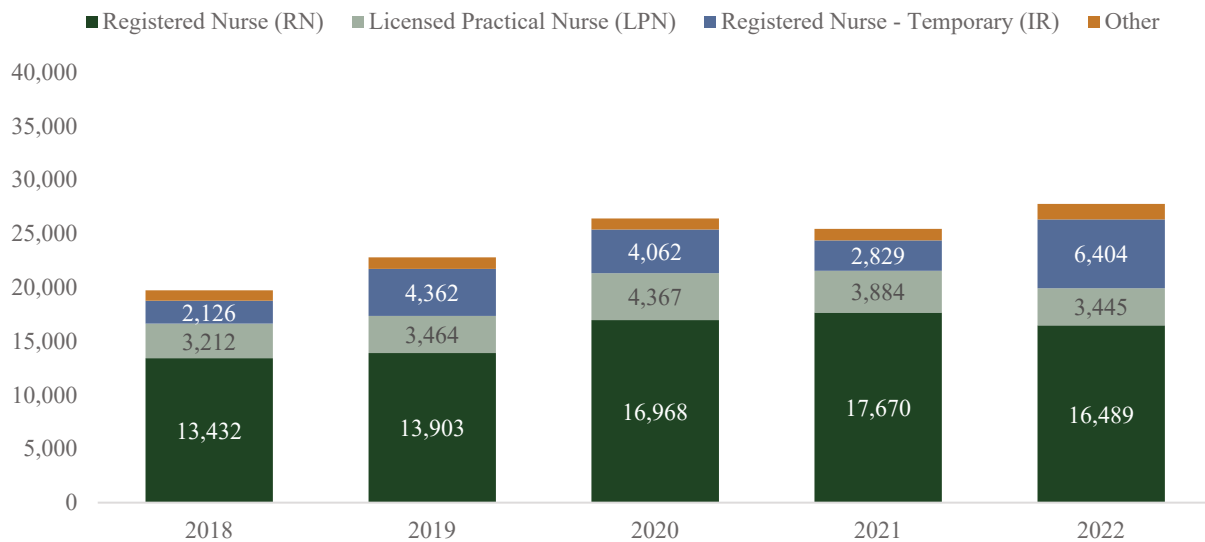


Source: OBN eLicense

Note: Other includes Community Health Worker (CHW), Dialysis Technician - Temporary (IDT), Dialysis Technician (DT), Dialysis Technician Intern (DTI), Licensed Practical Nurse - Temporary (IP), Medication Aide (MA-C), and Non – OH MSL RN Seeking OH APRN License.

Over the past five years the number of applications started each year that result in an issued license or certificate averaged to approximately 76 percent. The reason an application may not result in a license or certificate may be due to failing to pass a background check, failing to pay the licensing fee, discontinuing the application, or not passing the NCLEX. As shown below, while the number of issued licenses and certificates has generally increased between CY 2018 and CY 2022, the number of RNs licenses issued in CY 2022 was fewer than in both CY 2021 and CY 2020.

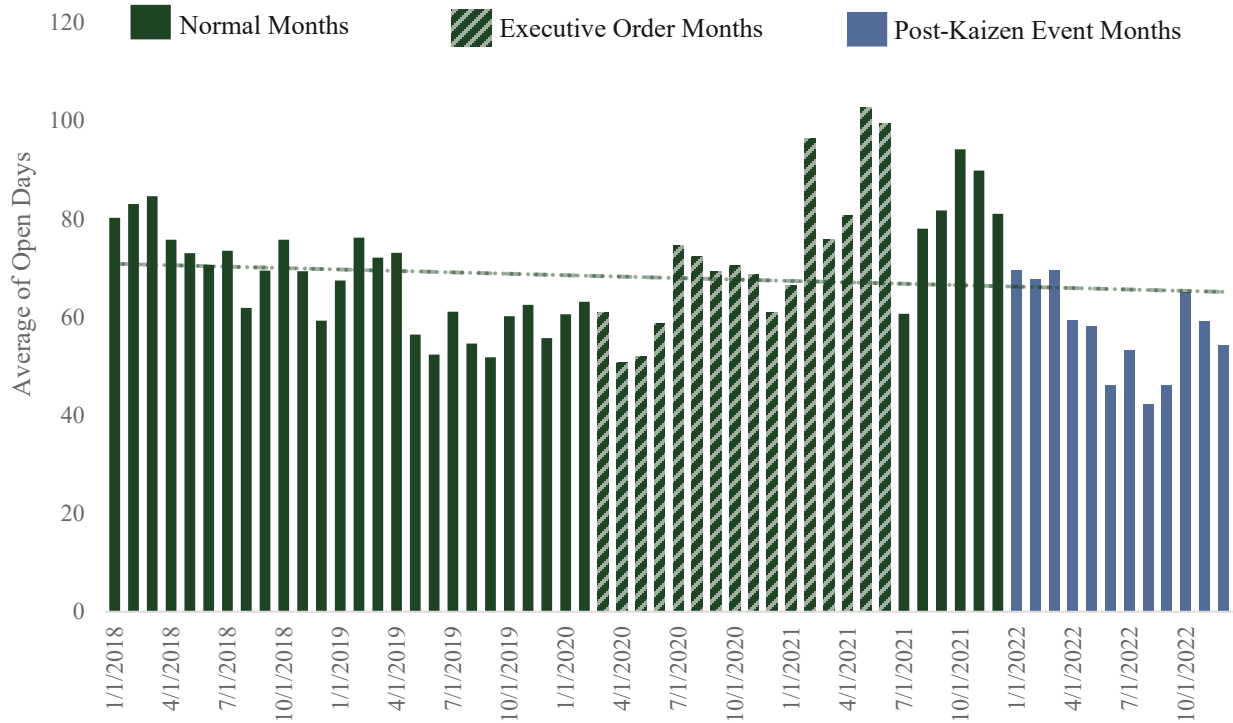
Total Issued Licenses and Certificates



Source: OBN eLicense

As shown in the chart below, in 2018, the average number of days an application was open was 73 days; this average was down to 62 days by the end of 2020. In 2021, during the COVID-19 pandemic, the average increased to 82 days before dropping down to 58 days by the end of 2022. In the chart below, the lined columns indicate when the Executive Order was in effect while the blue columns indicate when the Kaizen event process changes went into effect. This data best shows when OBN’s application processes began to slow down over the past five years and when the new processes began to have a positive impact on processing times.

Average Days Open for All Applications by Month

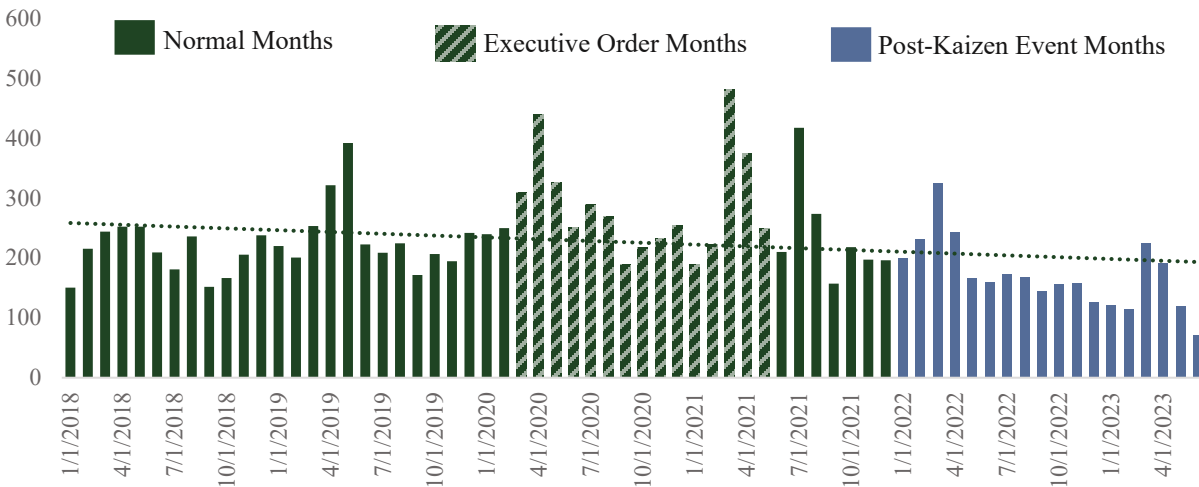


Source: OBN eLicense

Analysis of Normalized Data

Normalizing the data on a per FTEs basis allows for a better understanding of the efficiency of each FTE. As shown in [Recommendation 2 Background](#), the number of FTEs increased in March of 2022, from an average of 8 FTEs to approximately 13 FTEs. Calculating the total number of applications started (TAS) per FTE shows how many applications the FTEs are processing. The trendline shows a decrease in TAS per FTE from January of 2018 to July 2023 with a significant decrease after March of 2022. This means that the number of applications being handled per FTE has decreased over time. This is expected with a significant increase in FTEs and a slowly increasing number of new applications.

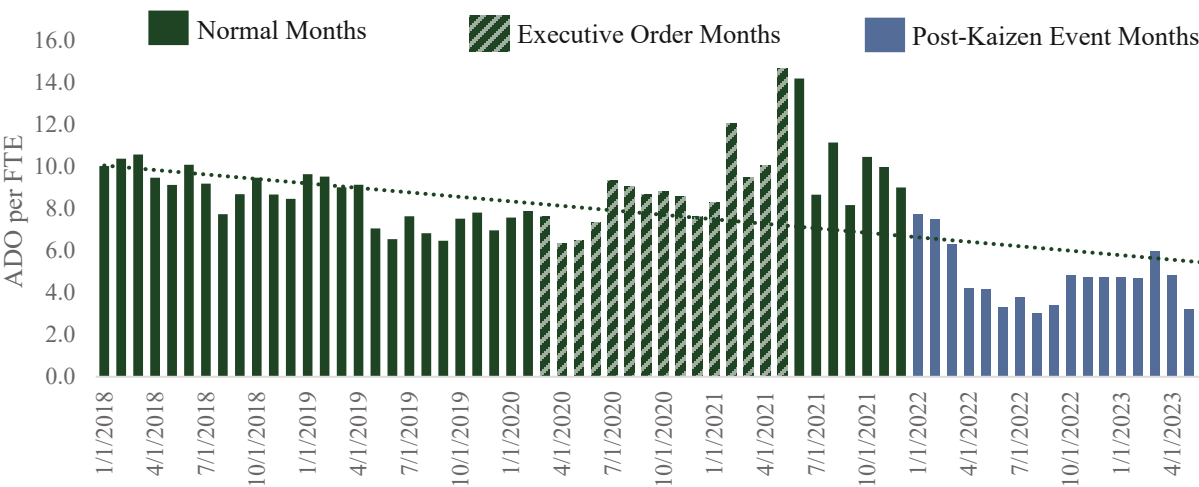
Total Applications Started (TAS) per FTE by Month



Source: eLicense

We normalized the average number of days applications were open (ADO) on an FTE basis. From January of 2018 to July of 2023, the ADO per FTE dropped from 10 to approximately 2. This means that the average number of days an application was open was approximately 10 days in January of 2018 and decreased to approximately 2 days by July 2023 on a per FTE basis. The highest ADO per FTE took place in May of 2021 and was 14.7 ADO per FTE. It is important to note that while over the past five year there has been a significant decrease in this metric, it is difficult to attribute the change singularly to the increase in FTEs; improved processes, system integration, and OBN asking students to only begin their applications within 60 days of the expected examination date have also played a significant role in improving the ADO per FTE.

Application Average Number of Days Open (ADO) per FTE by Month



Source: eLicense

With the current data available to OBN on eLicense, OBN can determine a target ADO per FTE that is appropriate. Once this target is determined, OBN can begin to build a staffing plan to meet this target on a regular basis.

Staffing Plan Development Process

The majority of OBN’s budget goes towards personnel and operating expenses, demonstrating the importance of having proper staffing levels. This could mean having enough staff to ensure that licenses and certificates are being processed in a timely manner during busier periods but not having too many staff that slower periods are full of idle time. The Society of Human Resource Management (SHRM) published a six-step guide to developing a staffing plan which we used as a template for a staffing example below.

Step 1: Evaluate Goals

OBN will need to evaluate what is expected from stakeholders, including perspective nursing professionals, and develop targets that will satisfy these expectations. Having clear goals and targets will help both employees understand their purpose and help managers better understand the needs of their employees or where their processes are falling short. We developed a target using the ADO per FTE calculation from above. We calculated the average ADO per FTE for the post-Kaizen event period (blue bars in the chart above) as this uses the most up-to-date processes and has the best ADO per FTE.

Step 2: Identify Drivers

Potential drivers for staffing can be both internal and external. As it relates to OBN’s application processes some drivers could include the number of nursing applicants, system integration capabilities, the Board’s members and their expectations, Ohio hospitals, and the NLC along with its members. This step includes researching labor market data, both nationally and locally. Understanding the impact that drivers have over the application process will allow for OBN to properly staff its processes.

Step 3: Analyze the Current State

While OBN created a current state process map during the Kaizen event, the analyses we conducted within this recommendation could also serve for the current state analysis of this step. Below is a table showing different data points and calculations for CY 2019, the last pre-COVID-19 year, and CY 2022, the most recent complete year of data. This comparison is to give context for the current state of the application processes.

Current State Analysis Example

	CY 2018	CY 2022
Total Applications	24,367	38,895
Total License/Certificates Issued	19,743	27,772
Average FTEs	7.8	12.5
Average TAS per FTE	208	188
Average ADO per FTE	9.3	4.8

Source: eLicense and OBN Staffing Data

Step 4: Envision Needs

For OBN, the envisioning needs step could include FTEs, skill sets, expertise, technology, and any other aspect of a process that is involved during the application process. During the Kaizen event, OBN created a future-state process map. While steps in this future-state process map may not be able to be fully completed under the current technological capacity, it is still important for OBN to set goals and understand its needs from a staffing perspective.

Step 5: Conduct a Gap Analysis

A gap analysis is when an entity compares the current state created in Step 3 to the future state created in Step 4 and analyzing the “gap” between the two states. This analysis will show OBN what areas they will need to improve; this could be through additional staffing, further investing in system integration, or removing redundant processes.

Step 6: Develop a Solution Plan

The final step, developing the plan, incorporates details from the previous steps. These previous steps will help guide OBN to create a target, understand where OBN currently stands in relation to that target, which steps may need to be taken to reach the target, and finally a staffing plan that will be implemented to reach this target.

Sample Staffing Plan

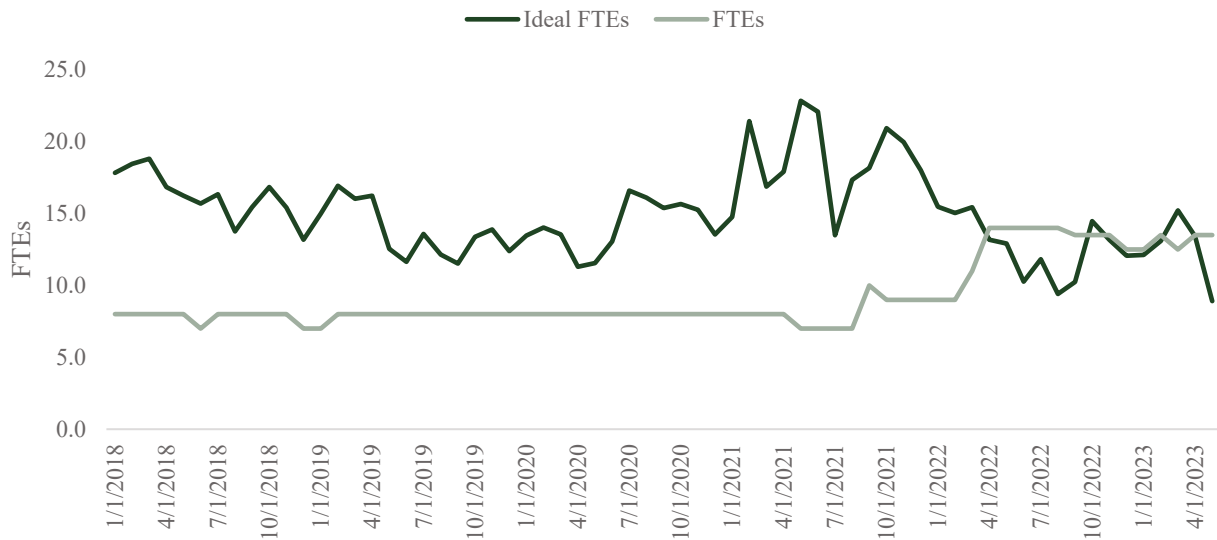
Using the information available to us, we created an example plan for OBN. As the Board moves through this process, it may identify alternative needs or goals.

As determined in Step 1, using ADO per FTE shows how efficient FTEs are when it comes to applications being processed. We calculated the average ADO per FTE for after the Kaizen event to be 4.3 and set this as the target.

We applied this target ADO per FTE to the previous five years of data to calculate how many FTEs OBN would have needed to meet this target during this period. This does not take into account any process changes that may have taken place after the Kaizen event, as we cannot attribute any single change to the improved processing times. With this in consideration, the

chart below shows that while using 4.3 ADO per FTE as the target, OBN was understaffed by an average of approximately 7.3 FTEs prior to the Kaizen event.

Example of Target FTEs Needed to Reach 4.3 ADO



While this is a simple example of how OBN can use its current data to set a target when developing a staffing plan, having more granular data on each step within the application process would help (see [Recommendation 1](#)). It would also allow for a potentially more accurate understanding of OBN’s staffing needs as it relates to processing times.

Conclusion

OBN has increased staffing levels since the Kaizen event that was held in December of 2021. However, the Board does not have a strategic staffing plan that is tied to specific production goals or targets. Once the Board identifies and collects the data necessary for setting processing targets, it should adjust staffing levels accordingly. This will allow the Board to optimize the efficiency of the licensing process.

Recommendation 3: Work with the Attorney General to Eliminate Unnecessary Paper in the Background Check Process.

OBN is currently receiving the results of applicants' background checks in several formats, via paper, an emailed file, and in an electronic database. Copies received via the paper route entail additional staff time to process, and the paper format does not provide any value beyond the emailed copies. At least one other licensing board in Ohio has successfully arranged with the Ohio Attorney General's office (AG) to eliminate the reception of all paper copies. If OBN can come to a similar agreement with the AG to eliminate paper, they will free up staff time for more productive tasks and save the taxpayer postage expense.

Impact

Though not material to its overall operations, OBN spends about 29 hours per month on activities associated with opening the mail and processing background checks sent by the AG in a duplicative paper format. Receiving results in a non-paper format would free up this staff for higher and better uses of their time. Additionally, from a process perspective, reducing the number of intake channels should reduce the likelihood of transcription errors. Finally, removal of paper copies also eliminates an additional area of risk regarding applicant privacy and records disposal.

Background

All nursing applicants must go through the background check process before being considered for a nursing license or certificate. The background check process has two steps, an initial questionnaire of 18 questions followed by a background check administered by the FBI and BCI. The background check process begins during the initial application where an applicant is asked to attest to a series of questions, some of which pertain to criminal activity and other eligibility qualifiers. Any application that responds with a "yes" answer is moved to be reviewed by the compliance and regulation team. The questionnaire process is internal to the initial application and takes within eLicense.

Applicants are then given instructions on how to initiate their Bureau of Criminal Investigation (BCI) and the Federal Bureau of Investigation (FBI) background check process, which takes place outside the initial web application. To start their BCI and FBI background check, applicants report to a certified third-party vendor who will take their fingerprints, indicate the desired recipient of the background check results (in this case the results will be sent to OBN), and receive payment for the cost of the background check.

In Ohio, all results of the BCI and FBI background checks are routed through the Ohio Office of the Attorney General (AG). Upon receiving the background check reports, the AG performs

certain quality control checks and then passes on results to the requested recipient, including boards, that the applicants indicated at their fingerprint locations.

The AG distributes results to recipient boards in a variety of formats, namely three ways: batched electronic database files that will indicate whether there is a criminal activity ‘hit’ or not, “hard copies” of the individuals’ full reports sent via secured email, and paper copies of the individual reports mailed via the postal system. To prevent confusion with the paper process, we will refer to the emailed copies as ‘email reports’ rather than ‘hard copies’ and will refer to the mailed reports as ‘paper copies.’

Certain boards, such as OBN, have added a further layer of automation to the AG’s electronic database files by developing a custom software integration in-house with the help of DAS. OBN’s software application queries AG’s database file, and automatically populates hit and no-hit information for the applicants in eLicense. The result of this IT integration is that the no-hit results on background checks no longer require OBN to do manual data entry.

All applicants that come back with ‘hits’ on the background checks receive additional manual review by OBN’s compliance and regulation team. The compliance and regulation team will rule whether applicants are disqualified from receiving a nursing license, whether a license could be issued with additional conditions or restrictions, or whether further investigation & fact-finding is needed.

The manner in which OBN receives results from the AGs office, such as paper, email, or database, has not been consistent over time. Nor have OBN and AG established a clearly defined service-level agreement. As a result, OBN does not know why they are receiving paper copies in some instances and not for others. Additionally, there are other state licensing boards in Ohio who are receiving results from the AG in a different manner than OBN and with each other. This variation and its impact are the subject of the analysis that follows.

Methodology

This section documented the organization, responsibilities, and processes used by OBN’s compliance and regulation team as it relates to background checks. Parts of the process documentation extended to entities beyond OBN, such as the Ohio’s AG and Ohio’s Webcheck system. This information gathering consisted of interviews, reviews of legal code, internal organizational charts & process documents, and observation. Peer licensing boards in Ohio were also contacted to explore similarities and differences to OBN as it relates to background checks.

Analysis

Volume

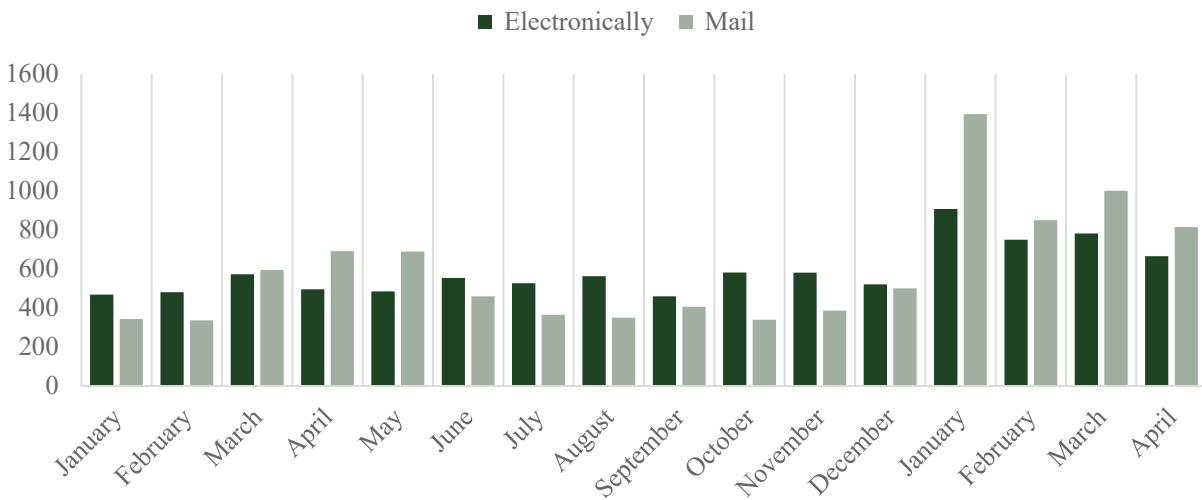
Each year OBN receives the results of background checks for approximately the same number of people that had nursing licenses issued. The numbers do not match exactly because OBN denies

applications for background check reasons and also because some applicants voluntarily withdraw their application after completing a background check.

The chart below shows the volume of background checks received by OBN from January of 2022 to April of 2023. It also indicates the split between mailed and electronic copies of the background check. For the purposes of this visual, electronically means includes both the emailed reports and the integrated batch file; mail includes only those reports received in letters through the post. Comparing the same months between the two years, 2023 had a higher overall number of background checks being sent to OBN. This is attributed to the multistate licensure compact coming online at the beginning of 2023 and many nurses taking advantage of this new program at the earliest opportunity.

During 2022, OBN received more electronic copies than they did mailed copies. The exceptions were the months March, April, and May, where the AG sent more mailed copies than they did electronic copies. In 2023 in addition to the overall volume of background checks increasing, the ratio of electronic and mailed copies inverted; OBN was now receiving more mailed copies than electronic copies.

OBN Background Checks Received 2022 - 2023



There is no apparent operational reason why this ratio of paper-to-mailed copies should have fluctuated month-to-month in 2022. OBN indicated that there were not any higher proportions of ‘hits’ in the months March, April, and May than there were during the rest of the year. Nor did OBN’s arrangement with the AG change in any way during 2022.

Process

When the background check reports are completed by the AG, OBN first receives notice whether the applicant has a ‘hit’ on their report via an electronic database file. This file does not contain

the full background check report, rather it has only few fields for each applicant: name, social security number, date, and crucially the yes/no 'hit' indicator. The AG updates this file as a batch, once per day. OBN, as previously explained, accesses this batch file and updates eLicense with the result as an automated system integration. In the case of no-hits, the eLicense application moves forward automatically without human intervention. In cases where a hit is indicated, the application is flagged in the system for Compliance team involvement, which will begin when OBN receives the full background check report.

The full background check reports of those individuals with a hit indicated typically arrive a day or two after the result is posted in the AG's results batch file. These hit reports come to OBN as PDF files via a secured email account. OBN then distributes these cases among the compliance team to work toward an ultimate licensing eligibility determination. There are *not* any reports of the no-hits arriving as PDFs in the secured inbox, nor is there any requirement or reason for OBN to collect and review no-hit reports.

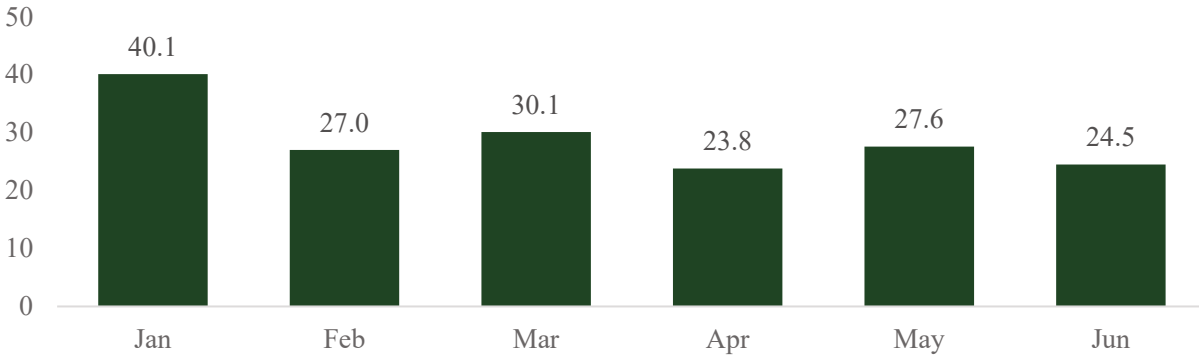
That said, OBN nonetheless receives a significant number of no-hit reports from the AG through the postal mail via paper copy. These paper copies of no-hit reports are not requested by OBN, and the Board has expressed confusion as to why they are receiving these reports from the AG. The paper copies are not a complete set of the not-hits, leading to further confusion by OBN. The AG has indicated that their process is to send a paper copy of all reports requiring any type of manual review on the part of AG staff (both hit and no hit). It has not been able to clarify exactly what kind of manual review is being triggers this large subset of not-hit reports. Further, OBN does not believe they are receiving any significant portion of the hits in paper copy. As noted previously, the volume & proportion of these paper copies has ebbed & flowed over time, indicating inconsistent practices at the AG. In another instance of inconsistency, these paper copies sometimes arrive in the mail with many reports batched in the same envelope, but at other times reports are individually stamped in mailed in their own envelope.

Effort

OBN is not required to retain or review the paper no-hit copies. It is the practice of OBN, however, to review each paper report and have personnel perform a manual lookup of the applicant in eLicense to cross-reference against the paper background check results. Occasionally, OBN will receive a paper no-hit report whose results were not automatically imported into eLicense from the AG's batch file. It is for this quality-control consideration that OBN has deemed it worthwhile to continue opening envelopes and reviewing the no-hit reports.

Beginning in 2023 OBN began an internal time-study to estimate the amount of effort going into paper background check processing each month, the results of which are given below.

OBN Hours Spent Processing Paper Copies 2023



In the time period tracked, OBN staff has averaged between 23 and 40 hours per month processing these paper copy background checks. This equates to around a quarter of an FTE. The table below shows the cost, both monthly and annual, for OBN’s administrative professionals to carry out this paper processing function.

Costs of Processing Paper Background Checks

	Hours	Pay Rate	Processing Cost
Monthly Average	28.85	\$32.73	\$944
Annual Run Rate	346.2	\$32.73	\$11,332

Source: OBN

Note: Pay rate includes base wages and a 48 percent benefits multiplier for Administrative Professional 2.

Peer

The preceding analysis established that OBN is spending up to 40+ hours per month on the non-value-add activity of opening envelopes and processing paper information, that there is unexplained variation in the quantity & proportion of paper applications over time, and that OBN does not understand the rationale for receiving paper copies at all. We consulted a handful of other Ohio licensing boards to explore whether OBN’s service level with the AG is the norm across the state or an outlier.

This outreach to Ohio peer boards revealed a wide array of variation across the boards with respect to the way in which they receive background check results from the AG. The way these boards receive results from the AG differ not only from the process OBN experiences, but also from each other. Below is a summary of these points of variation:

- One smaller board receives all results, hit & no-hit, via paper copy. They make no use of an electronic batch file & have no system integrations. Instead, they do all of their data entry manually, transcribed from paper reports.
- Several boards of varying size reported receiving little to no paper copies at all. The full reports received are all in the PDF format and accessed via secured email.

Efficient • Effective • Transparent

- Several boards also utilized the AG batch file, but without full integration into their eLicense platforms. i.e. Board personnel manually transcribe hit/no-hit results from the AG's notepad file.
- One other larger board has a similar integration as OBN between their eLicense platform and the AG batch file.

None of the Ohio peer boards consulted indicated that the AG provided a consistent point of contact to manage their customer service relationship. Any positive changes to the background check reporting process were attributed to proactive outreach on the part of the board and persistence.

Conclusion

Receiving paper-copy background checks causes additional work and delays for OBN and adds no additional value beyond the duplicate electronic copies. Further, other Ohio professional licensing boards do not appear to be receiving the same service level from the AG; some are receiving only paper background checks whereas others are almost entirely electronic & integrated. By opening up customer-service oriented lines of communication with the AG, OBN may be able to achieve a service level that eliminates much of the costly paper process.

Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following pages is the Board's official statement in regards to this performance audit. Throughout the audit process, staff met with Board officials to ensure substantial agreement on the factual information presented in the report. When the Board disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.



February 2, 2024

Mr. Keith Faber
Auditor of State
88 East Broad Street
Fifth Floor
Columbus, OH 43215-3506

Dear Auditor Faber,

The Ohio Board of Nursing (OBN) would like to thank you for conducting our performance audit. The OBN would like to acknowledge the partnership with the Auditor's Ohio Performance Team throughout the audit process and looks forward to future engagements with the team. Your team was thorough and very detailed during all phases of the performance audit.

The OBN will incorporate the recommendations into formulating an appropriate framework for achieving improved system functions via partnering with other state agencies. Our team is already working on implementing efficiencies regarding milestones, generating more detailed data processing, identifying processing time frames, and eliminating the use of all paper background checks with the required assistance from other agencies. The audit has identified operational, tactical, and strategic opportunities and potential outcomes that will optimize our internal systems. With successful implementations, the OBN can become leaner, remove inefficiencies, improve customer service, and achieve measurable results with the ultimate goal of using taxpayers' dollars more cost-effectively.

Thank you again for your partnership and the professionalism of your team. We look forward to utilizing the information provided in your audit.

Sincerely,

Marlene Anielski, MBA, OCPM

Marlene Anielski, MBA, OCPM
Executive Director

Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

Performance Audit Purpose and Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Scope and Objectives

In order to provide the institutions with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

Summary of Objectives and Conclusions

Objective	Recommendation
Licensing & Certification	
How have processing times of licenses and certification changed over the past five years?	R. 1 and R. 2
Compliance & Regulation	
How can OBN improve efficiency and effectiveness as it relates to the compliance unit?	R. 3

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives¹⁹:

- Control environment
 - We assessed the Board’s exercise of oversight responsibilities in regards to detecting improper data entry in eLicense system.
- Risk Assessment
 - We considered the Board’s activities to assess fraud risks.
- Information and Communication
 - We considered the Board’s use of quality information in relation to its financial, payroll, and staffing.
- Control Activities
 - We considered the Board’s compliance with applicable laws and contracts.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of OBN’s operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using benchmarks, laws, rules, and policies and procedures.

¹⁹ We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G.

OHIO AUDITOR OF STATE KEITH FABER



OHIO BOARD OF NURSING

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 2/20/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov