



MEMORANDUM

DATE	October 5, 2021
TO	Multidisciplinary Advisory Committee (MDC)
FROM	Inspections Subcommittee (Subcommittee) Jennifer Loreda, RVT Dianne Sequoia, DVM
SUBJECT	Agenda Item 5. Discussion and Potential Recommendation Regarding Veterinary Premises Inspection Checklist and Inspection Process Improvements

Background

During the Veterinary Medical Board’s (Board) [2003 Sunset Review](#), the Joint Legislative Sunset Review Committee (JLSRC) raised concerns regarding the number of veterinary facilities inspected on an annual basis, which averaged 13% since the previous Sunset Review in 1996. Additionally, there were concerns that once a facility had been inspected, it would not be inspected again until six or more years later. According to the [Board's Final Response](#) in June 2004 to the issues raised by the JLSRC, “[i]n subsequent oral communications with the Joint Committee, the Board stated that its goal is to have all premises inspected within a five-year period.”

In its [2012 Sunset Review](#), the Board reported that due to denial of increases for inspection expenditure authority, the number of inspections had not increased despite efforts to work with existing resources. As a result, the Board’s 2013 Sunset Bill, [Senate Bill \(SB\) 304](#) (Lieu, Chapter 515, Statutes of 2013), amended Business and Professions Code (BPC) section [4809.7](#) to require the Board to “make every effort to inspect at least 20% of veterinary premises on an annual basis.” Prior to this amendment, BPC section [4809.7](#) contained no percentage mandate and simply stated, “the Board shall establish a regular inspection program which will provide for random unannounced inspections”. This also was included in the Board’s 2012-2014 Strategic Plan as one of its enforcement goals since historically, the Inspection Unit had always been a subsection of the Enforcement Unit.

Following the enactment of [SB 304](#) in 2014, the Board again made efforts to build its Inspection Unit, which at that time consisted of a single Enforcement Analyst and five inspectors. By 2015, the Inspections Unit consisted of one Hospital Inspection Coordinator, one Staff Services Analyst (SSA), one Office Technician (OT), and 13 inspectors. That year, the Board nearly tripled the number of inspections conducted from 203 in 2014 to 601, and the decision was made to separate Inspections into its own unit. The following year, Inspections reached an all-time high of 628 inspections performed. However, the workload volume generated from these inspections was unprecedented and overwhelming for staff, resulting in significant backlogs that remain today.

Subsequently, [SB 546](#) (Hill, 2017) was introduced and would have amended BPC section [4809.7](#) to state, in part, “The Board shall inspect at least 20 percent of veterinary premises on an annual basis... .” As recorded in the Board’s April 19, 2017 [Meeting Minutes](#), the Executive Officer reported that the Board had requested the following provisions be included in SB 546:

The first provision would change existing statutory language surrounding a “suggested” 20 percent inspection of all registered veterinary premises and instead make the 20 percent inspection language mandatory. The change would assist the Board in securing necessary funding from the Department of Finance. The legislative request, taken from the Board’s 2015 Strategic Plan, would mandate the Board to inspect 20 percent of all veterinary premises on an annual basis and, mandate that all new veterinary premises be inspected within one year of being issued a premises permit.

It was also reported that the Board had insufficient funds to complete the annual goal of inspecting 20% of premises.

At the Board’s October 19, 2017 meeting, it was reported the Senate Appropriations Committee raised concerns regarding the potential fiscal impact to the Board and its Fund if the proposed 20% inspection mandate was enacted. (October 19, 2017 [Meeting Materials](#), Agenda Item 11.B.) As such, the inspection mandate was stricken from the bill before passing out of the Senate Business, Professions and Economic Development Committee. The Executive Officer requested the Board move the inspection mandate forward in the next legislative session because mandatory hospital premises inspections “would ensure consumer protection, require a minimum number of annual inspections performed, and assist in obtaining additional funding for the program.” (October 19, 2017 [Meeting Minutes](#), p. 7.)

The inspection mandate provisions reemerged the following year in [SB 1480](#) (Hill, Chapter 571, Statutes of 2018), which passed and became effective January 1, 2019. The language of BPC section [4809.7](#) now states, “The board shall establish a regular inspection program that will provide for random, unannounced inspections and the board shall inspection at least 20 percent of veterinary premises on an annual basis.”

After [SB 1480](#) passed, a legislative Budget Change Proposal (BCP) was approved, giving the Board additional budget allocation for two analysts and one technician. It should be noted that BCPs provide the Board with budget authority from the *existing* fund, but they do not provide *additional* funds to the Board. The only way for the Board to receive additional funding is through increased license, registration, and/or permit fees. So, although it was noted in 2017 that the Board had insufficient funds to support the existing program, the program grew without any additional funds.

In addition, due to the significant backlog created by the inspection surge, routine inspections were temporarily paused while the analysts focused on closing complaint-related inspections, the remaining routine inspections, and the probation inspections. As a result, the number of inspections performed significantly decreased.

During the Strategic Planning discussion at its October 23, 2020 meeting, the Board discussed the difficulty in meeting the annual 20% veterinary premises inspection mandate under BPC section [4809.7](#). Historically, the Board has never been able to meet this mandate. The Board-approved Strategic Plan included a goal to evaluate the feasibility of the 20% inspection mandate. In addition, some Board members proposed re-evaluating the inspections checklist and decreasing the number of items being inspected to reduce the amount of time it takes Board inspectors to complete inspections and Board staff to review the reports.

With that suggestion in mind, the Board directed the MDC to evaluate the inspection process and checklist and make recommendations to the full Board. MDC Chair, Kristi Pawlowski, RVT, established the Subcommittee and appointed Margaret Warner, DVM, and Jennifer Loreda, RVT, as the Subcommittee members. With the departure of Dr. Warner, the MDC Chair appointed Dianne Sequoia, DVM, to the Subcommittee.

During the April 2021 MDC meeting, the Subcommittee reported its research regarding inspections programs within DCA and other veterinary state boards nationwide. It was noted that the Board was the only DCA program that had a percentage mandate, and the Board has never been able to meet the 20% mandate. In addition, the Subcommittee opined the 20% mandate is unrealistic. The April 2021 Subcommittee memo can be found [here](#) for reference.

As reported during the [July 2021 MDC meeting](#), the Subcommittee met with the Inspection and Enforcement management to discuss their specific perspectives on the inspection process. The Subcommittee expressed the most eye-opening part was learning about the inefficiencies in the process and the overall structure of the Inspection and Enforcement Units. As a result, the managers recommended, and the Subcommittee agreed, to merge the two units back together as they were prior to 2015.

Regarding the 20% mandated, the Subcommittee again expressed to the MDC concerns that the mandate was too high, especially hearing from other DCA board inspection programs and other state-wide veterinary boards. The MDC was informed that the Board's fund could not support inspecting 20% of all registered premises prior to it becoming a mandate, and the mandate did not secure additional funds when it was enacted. The only way to increase funds for the inspection program is to increase premises registration fees. Without increasing fees, the Board will never have enough funds to meet the 20% mandate.

After hearing from staff and the public regarding the mandate, the MDC decided to seek more clarification and direction from the Board on whether the MDC should consider removing or lowering the mandate. However, since this was not listed on the Board's July 2021 agenda, it could not be adequately discussed until the Board's October 2021 meeting.

Status Update

On Sept. 11, 2021, the Subcommittee met remotely with the Board's Executive Officer, Jessica Sieferman, Inspections/Enforcement Manager, Patty Rodriguez, and the Board's lead inspector, James Howard, DVM.

The purpose of the meeting was to:

- 1) Monitor the progress of the merge of the Inspection and Enforcement Units and the monthly inspection statistics, and
- 2) Evaluate the inspections checklist and discuss recommendations to the MDC in October for consideration.

During the meeting, the Subcommittee reviewed historic and present inspection checklists and inspection forms. In addition, Ms. Sieferman, Ms. Rodriguez and Dr. Howard provided information regarding the progress of the unit merger, the progress and estimated development costs of the new inspection app for use in premise inspections, and the projected time savings by both inspectors and back office staff.

The merger of the Inspection and Enforcement Units is proceeding smoothly.

The inspection mobile app is estimated to roll out during the first quarter of 2022. Exact costs are not available as some costs are being shared with other DCA boards. However, once the inspection mobile app is rolled out, the Subcommittee anticipates significant time savings in filing out the veterinary premises inspection checklist, automatically imbedding site photos into the premise inspection report, and staff review.

The Subcommittee discussed decreasing the number of items on the inspection checklist for routine inspections and concerns raised by current inspectors. Specifically, inspectors and Board staff explained licensees consider a completed inspection as a valuable educational tool and proof their facility follows all minimum standards. If the Board reduces the number of items to be inspected on the checklist or limits the number of items to be inspected for routine inspections, licensees will believe they are in full compliance with all premises requirements, when, in fact, they may not be. This could lead to decreased consumer protection.

Subcommittee Recommendations

After careful consideration of the Board's mission, input from the Board's inspectors, staff, and the public, and considering the pending inspection and review process improvements, the Subcommittee does NOT recommend reducing the number of items on the inspections checklist or only performing a portion of the inspection checklist during routine inspections.

Rather, the Subcommittee recommends continued monitoring of the Inspection and Enforcement Units merger and the development and implementation of the new mobile inspection app.

After the merger, process improvements, and mobile app have been implemented for 12 months, the Subcommittee can re-evaluate the Board's progress and set a baseline number of premises inspections that can be completed with existing resources. The Subcommittee and the MDC would then be able to make data-driven recommendations to the Board regarding whether the Board should request removal or lowering the statutory percentage of the mandate and what new resources, if any, would be needed to increase the annual number of inspections performed.

Action Requested

The Subcommittee requests the MDC approve a motion to recommend to the Board that no changes be made to reduce or otherwise limit the number of items listed on the inspection checklist.

In addition, the Subcommittee requests the MDC approve a motion to recommend to the Board that it direct the Inspection Subcommittee to monitor the progress of the Inspection and Enforcement Units merger, inspection process improvements, and mobile app implementation for 12 months and bring data-driven recommendations back to the Board regarding the 20% inspection mandate.