On-Line Verifications: The Future Of Professional Licensure

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Project Paper
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On-Line Verification The Future of Professional Licensure

The Department of Labor, Licensing & Regulations

Introduction

The Department of Labor, Licensing and Regulation ("LLR") has several divisions. The Professional and Occupational Licensing Division is responsible for issuing and renewing licenses to over a quarter of a million professionals through its 38 professional and occupational licensing boards. Licensure\(^1\) is a pre-requisite for practice in professional and occupational professions. Many of the applicants have spent numerous years in school earning master degrees or beyond. Therefore, it is understandable that they desire an expedient licensure process to allow them to begin earning a living in their professions. For those already licensed, but seeking licensure in another state, expediency is sometimes even more of a concern, as the practitioners relocate and seek to continue their practice in the new state through the endorsement process. Other states and countries require documentation that the individual has a current, active license and information on the disciplinary status of that license. There are two important elements necessary to ensure reliability in the exchange of information. The verification process must correctly identify individuals and disciplinary information must be fully shared. Boards in other states, as well as other countries, have explored ways to expedite the verification process to improve the speed of licensure and to also save money and time. Our main customers are the applicants for licenses, licensing boards from other states and countries, and employers of the licensee.

\(^1\) While permitting certification and licensure are distinct, for the purpose of this project the term licensure is used to reflect all.
The licensees pay a fee to the state where they are currently licensed with a request to have their licensure and disciplinary status documented. The verification information is then mailed to the state where licensure is being sought.

The initial verification request can take anywhere from 3 – 7 days to be completed due to numerous reasons. This poses a problem for licensees who are trying to begin employment in other states. It is also costly when mailing verifications to the 50 states and to foreign countries. The focus of this project is to improve this process, by reviewing the current system and implementing a plan that will cut processing time to make it more efficient for our customers. An important part of improving this process will include creating a way for licensees to pay the verification fees on line which will shorten the processing time to get information sent to the requesting board within 24 hours as opposed to 3 – 7 days. The expediting process will improve customer service and help the agency to save time, money and resources and free staff to spend time working on other duties.

South Carolina Department of Labor, Licensing & Regulation adopted the Malcolm Baldrige Model as part of its agency strategic planning. The vision of LLR is to be a responsive state agency that meets the changing needs of its customers and exceed expectations. One of the goals of the agency’s strategic plan is to improve the efficiency of agency processes and systems. On line verification will allow the agency to fulfill one of its missions in providing excellent customer service. The CPM project is a major step in supporting the agency’s strategic plan.

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2 South Carolina Department of Labor, Licensing & Regulation, LLR Strategic Plan, p.4
Purpose of Project

The purpose of this project is to expedite the verification process by permitting licensees to pay the verification fee online by credit card or electronic checks. This would shorten the processing time from 3 – 7 days and would allow boards to transfer the verification document by electronic means. This project is an initial point to improve our customer service in the area of licensure. This project will also explore ways to continue improving the verification process including reviewing the clerical efforts necessary to process verifications, postage and costs associated with mailing verifications and personnel cost to prepare and mail the verification forms. This process is in line with the Baldrige Criteria, which links process improvement activities to the agency’s strategic Plan.3

Survey Finding

A questionnaire was sent out and one-hundred (100%) percent of the LLR boards participated in the survey. (See Appendix A) There were thirty-eight (38) LLR boards polled in the internal survey. Thirty-eight (38) boards responded but only 35 completed the survey in its totality. The thirty-five (35) boards completing the survey all verified licensure information to other state boards as part of the licensure process. As part of the licensure process the three (3) boards that did not complete the survey either did not verify licensure information because they did not have licensees or they did not recognize out of state licenses. The thirty-five (35) boards shared commonality by verifying information such as license number, expiration date of license and the current status of a license. However, six (6) boards out of thirty-five (35) did not include disciplinary

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information to other state boards. All the boards have a designated person to perform the administrative task of processing verification requests.

Licensure verification has become a routine duty for board personnel and can take up to 30% of their time. Upon receiving a request for licensure verification the majority of the boards process the request within five days. However, two (2) boards indicated 90% of the time they process and mail verifications within three (3) days. In instances where research is required it may take up to five (5) days or longer to complete the process. However, boards such as Nursing, Medical, Pharmacy, Counselors, Psychology, Social Work, Physical Therapy and Real Estate may require additional processing time because the boards need to research information such as exam scores, school and graduation date, specialty, date of birth or other information.

In addition to request from licensees the Nursing Board also receives requests from employers for verification of their employee's license status. The requests sent in by the employers for verification have already been compiled from information on the agency's Internet website. The agency (LLR) has a website available to the public where they can look up licensure status and disciplinary actions without a fee. The request can often include up to 10 pages or up to 500 names. The employer requests the board to verify the information submitted is correct. Subsequently, make necessary notations if needed then sign and date each written page. The Nursing Board does not charge a fee for these verifications. The requests may require weeks to complete and there are no fees associated with these types of requests. The survey also identified that thirteen (13) boards charged a fee and twenty-two (22) did not charge a fee for processing licensure verification requests. The boards that charge a fee for licensure verification varied from $5.00 to $25.00. One (1) of the boards indicated if it mailed the verification without a
seal there was no fee charged. However, if the board’s seal was placed on it, a fee was charged. Although many boards do not charge a fee other boards may show revenue from verifications is significant to their operating cost and a loss of revenue could become a serious matter. In FY 2003 the Nursing Board processed 2,475 verification requests, which brought in $49,500 in revenue. The Nursing Board spent a total of $60,829.00 in postage fees during FY 2003.

Further research included examining verifications processed for the Medical and Real Estate Boards. Currently, the Medical Board has 14,000+ licensees and the Real Estate Boards a total of 30,000+ licensees. The Medical Board does not charge a fee to process verifications or track the number of verification requests that are received and processed monthly. The Medical Board did have a designated individual processing the requests on a daily basis and he/she has other job duties. The Medical Board is one of eight boards electronically transferring verifications to other state boards. However, there were four (4) states that did not accept electronic documents. The Real Estate Board received and processed a total of 831 verifications during FY 2003 and a processing fee was charged.

**Project Development**

Selecting the appropriate project for the CPM project required examination of several things. First, the project had to meet the CPM criteria and be approved. The project was chosen and approved by the Director of Labor, Licensing & Regulation.

The Board of Nursing was selected as a pilot for the CPM project because of its high volume of verification requests and once implemented, it would be the first board to utilize the process. Project development included selecting the proper surveys to collect information then analyzing the data collected and lastly implementing a plan based on the
analysis that directly addressed solutions to the problem. The surveys conducted were internal and external.

Relevant input was sought from agency leadership prior to constructing the surveys. The surveys were carefully constructed and e-mailed to the Board Administrators and Assistant Deputy Directors. The Administrators were asked to complete the surveys by the target date. The survey deadline was two weeks this allowed adequate time for the boards to respond. Approximately 98% of the boards responded within a week. The information was completed on line permitting the usage of filtering to sort the survey data. *(See appendix B)*

The external surveys were sent to state boards to determine if they would accept an electronic document e-mailed from South Carolina to their state to verify a license. The Nursing Board staff assisted with sending the surveys out through their listserv. The surveys were mailed to fifty (50) state boards who were asked to respond as soon as possible. The majority of the states responded within 24 hours. *(See Appendix C)*

Currently, customers are able to renew their licenses on line by credit card payments. The on line renewals are processed within 24 hours and a pocket card showing the license as being active is mailed. The on line verification process would work in the same manner except the information would be electronically transferred to the receiving state board within 24 hours. After collecting the data from the boards, an initial meeting was held with a representative from the treasurer’s office to obtain information and explain the CPM project and the agency’s intent.

The meeting also included several LLR representatives. The representative from the treasurer’s office informed us that the Department of Revenue (DOR) is presently using the electronic check system and we should consider examining their program. The
treasurer’s office representative requested to be included in the meeting with DOR and asked to also include the Division of State Chief Information Officer (CIO) office. A second meeting with the Department of Revenue was held to review DOR’s electronic check process. The meeting included several LLR representatives from finance, a representative from the CIO’s office and the treasurer’s office. A review of DOR’s electronic checking indicated a cleaner check process; it did not require paper batching or paper processing. The agency was able to get their money faster and it saved money on processing fees. However, there was a fee associated with using a credit card.

The Nursing Board processed a total of 2,475 verification requests in the FY 03. Presently, thirteen (13) out of the thirty-five (35) boards require the fee to be mailed in by check or money order along with a written verification request. Upon receiving the request it is date stamped and entered into the database. The request is processed within 3 – 7 days and mailed to the receiving state. If the fee is not included with the initial written request, the information is sent back to the customer with a letter requesting they include the appropriate fee, which can cause further delay in processing the licensure request. The Nursing Board receives an average of 20 – 25 requests daily but some months there is an increase in the number of requests. The traveling nurses are required to have a license prior to relocating to another state to begin employment. Because of the critical shortages in certain health care professions, including nursing, expedited processing is especially important. Therefore, license verification must reach the receiving state in an expeditious manner. While the majority of boards have a designated person completing verification requests this individual also has additional job duties. Most of the information needed for verification is in the database but in some circumstances research on a file is necessary, consequently, delaying the process. Once
the information is obtained and put into the report the board’s seal is placed on the document and mailed. Verification of a license is important prior to issuing a license because it allows receiving states to check for disciplinary actions in the sending states. This process is uniform in the fifty (50) states and foreign countries.

The National Council of State Boards of Nursing has formed what is called a “Compact” which offers verification to employers and state boards that are members. Nursys is the verification system that is mandatory to use if you are a member of the compact. However, non-compact states also input data into the Nursys system, which provides licensure information to employers and the general public. Information transferred from state board to state board is more in-depth information as opposed to the information released to the general public. If the nurse needs licensure verification from a participating state board in the compact, the nurses are required to use Nursys there is a fee of $30.00 associated with this request. The disadvantage is that Nursys information is only updated monthly from the state nursing boards. In other words, recent licensure and disciplinary information may not show on Nursys database until the information is updated. Whereas, the state boards information would be more current as it is updated daily.

Implementation

The Chief Information Officer (CIO) Office recently installed software that will allow electronic checking in the near future. The Department of Labor, Licensing and Regulation (LLR) along with CAVU Corporation will, write the program to integrate this feature on LLR’s website. The agency Information Technology department will develop the PDF document that will be sent electronically. The initial implementation date will
be October 2004. However, the system is already set up to process credit card transactions. The software through CAVU Corporation will cost approximately $3,000.00

In improving the process several impeding obstacles were addressed and solutions were provided. There were concerns regarding the reconciliation of financial records pertaining to the thirty-five (35) boards. The treasurer's office will reconcile the reports by setting a time daily to check the system cut off time. Holidays and weekends are calculated in the system. After the cut off times, additional credit cards or electronic check transactions will roll over to the next day. In case a record was deleted in error every transaction will have a confirmation number. Tracking through the transaction numbers allows proper crediting and reconciliation of the financial records. Another concern is returned checks for insufficient funds. If a check is returned an electronic notification will be sent to the LLR's Finance department regarding the returned item. The finance department would notify the board so they may begin the collection process. The boards will follow agency policies in collecting the fees for insufficient funds. Also tracking the transaction numbers will simplify fee collections. When funds are deposited into the individual's account the fees can then be immediately withdrawn.

Technical questions came up concerning query storage and timeouts with the system if multiple license verifications are electronically sent. The timeout setting is set at the server and this could be increased to avoid long processing delays. The final concerns are that LLR needed the history of all transactions such as payor, date, payment method and date documents was e-mailed to the receiving state. The payment history will be stored in the customer file on the database. Where will the queries be stored and will there be adequate space? The query results return the selected or filtered credential identification. The PDF files are generated on the fly; therefore, on line verifications are
The files are temporarily generated and saved until they are e-mailed and afterwards deleted.

In implementing the plan communication would be imperative. It would require establishing timelines allowing agency leadership and support staff to incorporate the required changes. Regular scheduled meetings would be crucial to accomplish this in case there are problems or questions with the process. Second, notifying our customers will be a main objective. The agency will use various resources to communicate with the licensees and employers: newsletters, agency (LLR) website, state associations’ websites and conferences. When customers call for information regarding licensure verifications board staff will give information regarding the new options in expediting the process.

The finance department will develop procedures for electronic check payments. These newly written procedures will be integrated into the standard operating procedures manual.

**Final Analysis and Recommendation**

Recommendations for evaluating the new process should be conducted on an annual basis. At that time the evaluation should include a review of the boards that are on the new database and it should comprise information such as the date the verifications were received and the date completed. Administrators should use this information to track their revenue, monitor and evaluate the processing results. The recommended changes listed below can improve customer service making it more resourceful and efficient.

- Make Credit Card and Electronic Check available to customers requesting verification to a receiving state.
• Implement a uniform processing fee for licensee verification for all LLR Boards.
• Include the processing fee for credit card transactions in the verification fee.
• Require customers requesting licensure verification to provide their license number, date of birth and an e-mail address as part of the initial on-line request. Social Security Number (SSN) may be required but in accordance with federal law. However, there should be enough information to specifically identify the individual in case there are others in agency’s database by the same name. The board must carefully compare the information to identify the proper individual before sending information to another state.
• For the states that do not accept electronic verification, LLR will provide a message or statement to the customers indicating that information to them. However, their request will be processed within 24 hours and the verification will be mailed to the receiving state.
• For security purposes on line verification would be electronically transferred to the fifty (50) state boards and boards in foreign countries only. Verifications to entities other than state boards will continue to be mailed.
• The receiving state boards e-mail addresses could become outdated. LLR’s board staff will need to continually update the changes.
• Electronic verifications will include the board’s seal and watermark of state seal (see Appendix D). The document would be in PDF format. The document will be encrypted when e-mailed to ensure that non-public data remain secure through the transactions over the Internet. (Internet Explorer 6 has 128 bit encryption built into its programming to add additional security.)
In reviewing the online process for licensure verification, enhance the system by adding the ability for employers to pay an administrative processing fee online for rosters. The information will be electronically transferred within 24 hours to the email address provided by the requestor. However, as part of the process include the Family Privacy Act 2002 statement.
Appendix A

OUT-OF-STATE LICENSURE VERIFICATION SURVEY

POL is conducting a survey of all its Boards on how out-of-state licensure verifications are processed. POL is anticipating automating this process and needs to assess the current procedures per Board.

Please take a minute to answer these few questions and E-mail this document back to Veronica Reynolds by Friday, August 22nd. Thank you for your time.

(Please put an "X" in the appropriate YES/NO box for your response)

<table>
<thead>
<tr>
<th>QUESTIONS:</th>
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<td>9. What licensure verification information does your Board provide?</td>
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<th>TYPES OF INFORMATION</th>
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(See Appendix B)

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Appendix C

-----Original Message-----
From: David Christian [mailto:ChristianD@LLR.SC.GOV]
To: 'redwar@state.wy.us'; 'web@drl.state.wi.us'; 'lpnboard@state.wv.us';
 'hpqa.csc@doh.wa.gov'; 'nursebd@dhp.state.va.us';
 'bashford@sec.state.vt.us'; 'cjackson@utah.gov';
 'webmaster@bne.state.tx.us'; 'TN.health@state.tn.us';
 'gloria.damgaard@state.sd.us'; 'CharlieA@doh.state.ri.us';
 'ST-NURSE@state.pa.us'; 'oregon.bn.info@state.or.us';
 'obnwebmaster@nursing.state.ok.us'; 'board@nursing.ohio.gov'

We are collecting data for our current Administration. We know you are very
busy and wouldn't be asking for your assistance if this were not absolutely
necessary. Please respond as soon as possible to David Christian III either
by email, christiand@llr.sc.gov, or fax 803.896.4525.

Question: Today we mail verification letters to your boards. We are
reviewing an electronic means of delivering verifications to all boards.
The verifications would be sent in a PDF file to prevent alterations...our
question is; would you accept this as a viable means of delivery for
verifications?

Thank you for your time!

David Christian III
Program Coordinator
State Board of Nursing for South Carolina
(803) 896-4532
Please visit our Website at www.llr.state.sc.us/pol/nursing/ for
information on obtaining a license.
VERIFICATION OF LICENSURE

This is to certify that:

was issued certificate number: on:

to practice as a

licensed by Examination Endorsement

Expiration Date of License

Date of Birth:

S.B.T.P.E.
Exam Results MED SURG OBS Peds PSY NCLEX RN NCLEX PN

STANDARD SCORE SERIES/FORM NO.

Date of Examination:

Number of times Applicant Wrote Examination:

Name of Nursing Program Completed:

Location: Date of Graduation:

Type of Program:

Nursing Program met the requirements of S. C. Board of Nursing at the time of licensure:

Unless stated below, there is no disciplinary action pending nor has any been taken against this licensee.

David Christian, III
Licensing Coordinator

Date:
Nursing Board Verification Requests Processed

FY 2003

• 1st quarter had the highest number of verification requests.

• 2nd quarter second highest

• 3rd quarter lower requests, however July reflects an increase in the number of request received each month

• 4th quarter was the lowest
Internal Survey Out of State Licensure Verifications

Questions

Responses by yes or no

Series 1 □ Series 2 □ Series 3 □
Survey Questions

- Board verify licensure information to other states
- Board Charge Processing Fee
- Verification request is processed in 5 days or more
- Verification request is processed in 3 days or less
- Designated FTE to process verification requests
- FTE spends 30% or more of time processing requests
- FTE has additional job responsibilities
- Board currently e-mailing licensure verifications to other states
- Provides licensee number on verification
- Date license expired
- Date license issued
- Exam scores required
- Disciplinary action of license
- Current status of a license
Verifications Processed Quarterly

![Bar chart showing number of verifications processed quarterly.](chart.png)
Bibliography


National Council of State Boards of Nursing Website: www.ncsbn.org


South Carolina Department of Labor, Licensing & Regulation, (2003). *SCDLLR Strategic Plan*.