

# Redbook

## LBO Analysis of Executive Budget Proposal

### Occupational Therapy, Physical Therapy, and Athletic Trainers Board

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# LBO Redbook

## Occupational Therapy, Physical Therapy, and Athletic Trainers Board

### Quick look...

- The Occupational Therapy, Physical Therapy, and Athletic Trainers (OTPTAT) Board licenses about 33,000 professionals and is budgeted for a staff of 9.5 full-time equivalents.
- In 2018, the Board became responsible for regulating the licenses previously administered by the Board of Orthotics, Prosthetics, and Pedorthics (OPP).<sup>1</sup>
- The Board is governed by 20 members appointed by the Governor with daily operations overseen by an executive director.
- The Board is fully supported by fees and receives no GRF funding.
- There are no proposed fee changes for the FY 2020-FY 2021 biennium.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
<b>Fund 4K90 ALI 890609, Operating Expenses</b>					
\$748,736	\$861,288	\$812,339	\$1,059,477	\$1,137,397	\$1,168,045
% change	15.0%	-5.7%	30.4%	7.4%	2.7%

### Analysis of FY 2020-FY 2021 budget proposal

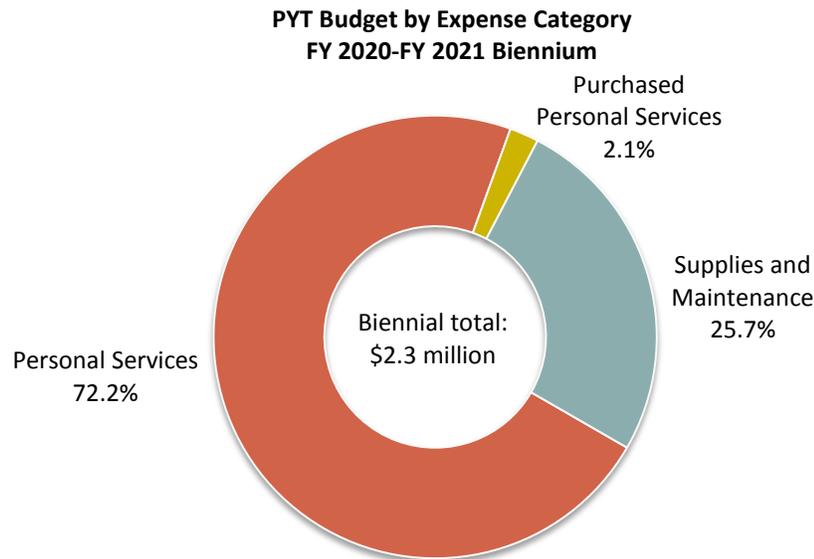
The Board's operations are funded by a single non-GRF (Fund 4K90) appropriation item 890609, Operating Expenses. The OTPTAT Board absorbed the duties associated with the OPP Board during FY 2018. FY 2019 was the first year of full operations after the consolidation, so some of the increase in FY 2019 is associated with this. The executive budget proposes funding of \$1.1 million (7.4% increase) for FY 2020 and \$1.2 million (2.7% increase) for FY 2021. These increases will be used in part to fund the additional costs related to rising payroll and eLicense costs.

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<sup>1</sup> Orthotists design, fabricate, and fit braces or other orthopedic appliances prescribed by physicians. Prosthetists fabricate and fit artificial limbs (prosthetics) and similar devices prescribed by physicians. Pedorthists fit appliances as prescribed for relief of painful or disabling conditions of the foot.

## Executive recommendations by expense category

As a regulatory agency, personnel costs account for the largest share of OTPTAT's budget. As seen in the chart below, 72.2% of the recommended funding for the biennium is for personal services, 25.7% is for supplies and maintenance, and the remaining 2.1% is for purchased personal services.



## Operating revenues and expenses

The table below shows the revenue and expenditures for the OTPTAT Board from FY 2013 through FY 2018. The OTPTAT Board absorbed duties associated with the now abolished OPP Board on January 21, 2018. Thus, for context, the table also shows expenditures and appropriations for the OPP Board, as well as the total for both boards. The OPP Board had expenses in excess of revenue for the previous six fiscal years. However, it is important to note that the OTPTAT Board projects that the cost of regulating the former OPP licensees will be about \$11,600 in FY 2020 and \$11,700 in FY 2021, far less than the operating expenses of the former OPP Board.

OTPTAT's revenue has exceeded expenses for five of the last six years. In FY 2017, a significant portion of the Board's revenue was held in a holding account at the end of the fiscal year; most of these funds were credited to the Board as revenue in FY 2018. This explains the unusually low revenue in FY 2017 and the subsequent unusually high revenue in FY 2018.

<b>Table 1. Revenues and Expenditures, FY 2013-FY 2018</b>						
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>OTPTAT Revenues and Expenditures</b>						
Revenue	\$1,318,046	\$1,119,460	\$1,341,624	\$1,171,091	\$347,597	\$2,324,693
Expenses	\$764,941	\$835,893	\$830,396	\$748,736	\$861,288	\$812,339
Net	\$553,090	\$283,567	\$497,509	\$415,310	-\$513,691	1,512,354
<b>OPP Revenues and Expenditures</b>						
Revenue	\$111,165	\$108,930	\$109,601	\$142,255	\$139,410	\$49,066
Expenses	\$141,932	\$146,284	\$161,084	\$163,809	\$173,067	\$153,648
Net	-\$30,767	-\$37,354	-\$51,483	-\$21,584	-\$33,657	-\$104,582
<b>Combined Revenues and Expenditures</b>						
Revenue	\$1,429,211	\$1,228,390	\$1,451,225	\$1,313,346	\$487,007	\$2,373,759
Expenses	\$906,873	\$982,177	\$991,480	\$912,545	\$1,034,355	\$965,987
Net	\$522,338	\$246,213	\$459,745	\$400,801	-\$547,348	\$1,407,772

All of the Board's revenue comes from fees that are deposited into the Occupational Licensing Regulatory Fund (Fund 4K90). Many occupational licensing and regulatory boards and commissions, including OTPTAT, use Fund 4K90 as an operating account. Each licensing board or commission is generally expected to be self-sufficient, generating enough revenue to cover its expenses. The fees for the Board's licenses are included in Table 2.

<b>Table 2. OTPTAT License Fees by Type</b>		
<b>License Type</b>	<b>Initial</b>	<b>Renewal</b>
Occupational Therapist	\$100	\$70
Occupational Therapy Assistant	\$100	\$70
Physical Therapist	\$100	\$70
Physical Therapist Assistant	\$100	\$70
Athletic Trainer	\$100	\$70
Orthotist	\$100	\$70
Prosthetist	\$100	\$70
Pedorthist	\$100	\$70
Orthotist-Prosthetist	\$100	\$70

Effective November 2018, the Board reduced the fees for licenses previously issued by OPP to align with the costs charged by the Board for its other licenses. Additionally, all licenses are now renewed biennially. In addition to these licenses, the Board issues reinstatement

licenses for occupational therapists, occupational therapy assistants, physical therapists, physical therapist assistants, and athletic trainers; limited permits for occupational therapists and occupational therapy assistants; endorsements for physical therapists and physical therapist assistants; and temporary licenses for orthotists, prosthetists, pedorthists, and orthotist-prosthetists. The Board did not request to increase any of the license fees for the FY 2020-FY 2021 biennium.

## Licensure

To carry out its regulatory responsibility, the Board establishes standards and licenses qualified practitioners. In order for applicants to be eligible for licensure, they must successfully pass the national examination for the field in which they are applying, complete an application, and submit to a criminal records check. The licensure process involves evaluating the applicant's credentials, formal education, and competency.

The total number of active licenses issued by the Board increased by 1,703 (5.5%) from FY 2017 to FY 2018. Table 3 shows the number of active licenses issued by the Board from FY 2016 to FY 2018.

License Type	FY 2016	FY 2017	FY 2016- FY 2017 % Change	FY 2018	FY 2017- FY 2018 % Change
Occupational Therapist	5,732	5,661	-1.2%	6,150	8.6%
Occupational Therapy Assistant	4,470	4,694	5.0%	5,058	7.8%
Physical Therapist	9,387	9,795	4.3%	9,888	0.9%
Physical Therapist Assistant	8,060	7,943	-1.5%	8,433	6.2%
Athletic Trainer	2,903	2,753	-5.2%	2,985	8.4%
Orthotist**	78	69	-11.5%	78	13.0%
Prosthetist**	68	63	-7.4%	64	1.6%
Pedorthist**	90	75	-16.7%	81	8.0%
Orthotist-Prosthetist**	116	114	-1.7%	122	7.0%
<b>Total</b>	<b>30,904</b>	<b>31,167</b>	<b>0.9%</b>	<b>32,859</b>	<b>5.4%</b>

\*Figures from LSC's Occupational Licensing and Regulatory Board Report

\*\*Prior to January 22, 2018, these licenses were issued by the OPP Board. A few temporary licenses may be included in these totals.

The Board utilizes the eLicensing system for initial and renewal licensure applications. The eLicensing system is administered through the Central Service Agency (CSA) of the Department of Administrative Services (DAS). The Board paid about \$63,000 for the use of the system in FY 2019 and anticipates it will pay about \$75,000 in FY 2020 and \$80,000 in FY 2021.

## Investigation and enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, or impaired practitioners, and to enforce the rules and laws governing the practice of its licensees. In FY 2018, the Board received 92 complaints. The Board is required to investigate all complaints. The most common disciplinary action taken by the Board was ongoing monitoring of licensees.

## Continuing education

The Board requires licensees to complete continuing education (CE) for license renewal. Annually, the Board is required to audit at least 5% of its licensees to verify completion of the required number of CE hours. CE requirements differ depending upon the type of license, but all courses must be approved by the Board. Table 4 shows the number of hours required for each type of license. The CE hours were reduced for the licenses that were previously issued under the former OPP Board. The reductions were made to make the hours of continuing education required more in line with the other OTPTAT licensees.

<b>License Type</b>	<b>Required Continuing Education Credits</b>
Occupational Therapist	20 biennially
Occupational Therapy Assistant	20 biennially
Physical Therapist	24 biennially
Physical Therapist Assistant	12 biennially
Athletic Trainer	25 biennially
Orthotist	25 biennially
Prosthetist	25 biennially
Pedorthist	18 biennially
Orthotist- Prosthetist	35 biennially