

LFC Requester:

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**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

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ARTICLE I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1-17-2025

Bill No: HB 82

Sponsor: Rep. Elizabeth "Liz" Thomson
Short Title: Physical Therapy Licensure Compact

Agency Name and Code Number: Regulation and Licensing Department - 420

Person Writing: Kevin Graham

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ARTICLE II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	Unknown*	Unknown*	Recurring	Physical Therapy Fund

(Parenthesis () Indicate Expenditure Decreases)

* It is anticipated there will be an impact on revenue, however, it is not possible at this time to reasonably predict if New Mexico's entry into this professional licensing compact will bring in more licensees (thereby increasing overall revenue) or will decrease the number of individuals fully licensed in New Mexico (thereby decreasing overall revenue). Please see NOTE 4 in the "Fiscal Implications" section (below).

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	43	8 + Unknown*	8 + Unknown*	59 + Unknown*	Partially Recurring	Physical Therapy Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

ARTICLE III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 82 (HB82)

HB82 would enter the state of New Mexico into the Physical Therapy Licensure Compact (Compact) to “facilitate interstate practice of physical therapy with the goal of improving public access to physical therapy services.” The Compact allows the member states to preserve regulatory authority and to continue to protect public health and safety through implementation of its licensure procedures. The Compact establishes flexibility for physical therapy licensees in member states, to obtain compact privileges for licensure in other member states. The “physical therapy compact commission” is an instrumentality of the compact states, and each member state shall have and be limited to one delegate selected by that member state’s licensing board. The delegate must be a current member of the licensing board, who is a physical therapist, physical therapist assistant, public member or the board administrator.

Summary of HB82 by Section:

Article 2 of the Compact offers a host of definitions including the definition for: “alternative program” as “a non-disciplinary monitoring or practice remediation process approved by a physical therapy licensing board” and includes substance abuse issues; “compact privilege” as “the authorization granted by a remote state to allow a licensee from another member state to practice as a physical therapist or work as a physical therapist assistant in the remote state under its laws and rules. The practice of physical therapy occurs in the member state where the patient or client is located at the time of the patient or client encounter;” “encumbered license” as “a license that a physical therapy licensing board has limited in any way;” “home state” as “the member state that is the licensee’s primary state of residence;” “member state” as “a state that has enacted the Compact;” “party state” as “any member state in which a licensee holds a current license or compact privilege or is applying for a license or compact privilege;” “physical therapy compact commission,” “compact commission” or “commission” as “the national administrative body whose membership consists of all states that have enacted the compact;” and “remote state” as “a member state other than the home state, where a licensee is exercising or seeking to exercise the compact privilege.”

Article 3 of the Compact details the specific criteria that a member state is required to implement to participate in the Compact, including (1) participate in the Physical Therapy Compact Commission's data system; (2) have a mechanism in place for receiving and investigating complaints about licensees; (3) notify the Commission of any adverse action or availability of any investigative information regarding a licensee; (4) fully implement a criminal background check system and using those results in making licensure decisions; (5) comply with the rules of the Commission; (6) utilizing a recognized national examination as a requirement for licensure; and (7) have continuing competence requirements as a condition for license renewal. Upon adoption of this statute, the member state shall have the authority to obtain biometric-based information from each physical therapy licensure applicant and submit this information to the federal bureau of investigation for a criminal background check.

Article 4 explains the requirements for a licensee to exercise the compact privilege, the licensee shall (1) hold a license in the home state; (2) have no encumbrance on any state license; (3) if privileges have been removed, the removal period must have ended, all fines must have been paid, and two years must have elapsed since the date of the adverse action; (4) had any adverse action against any license or compact privilege within the previous two years; (5) notify the commission that the licensee is seeking the compact privilege within a remote state; (6) pay any applicable fees, including any state fee, for the compact privilege; (7) meet any jurisprudence requirements established by the remote states where the privilege is sought; (8) report to the commission adverse action taken by any nonmember state within thirty days from the date the adverse action was taken.

Article 5 describes the licensing requirements for military members and spouses.

Article 6 addresses adverse actions. A home state has exclusive power to impose adverse action against a license issued by the home state. Such adverse action may be based on the investigative information of a remote state so long as the home state follows its own procedures for imposing adverse action. Member states must require licensees who enter any alternative programs in lieu of discipline to agree not to practice in any other member state during the term of the alternative program without prior authorization from such other member state. A remote state shall have authority to take adverse actions against a licensee's compact privilege pursuant to the remote state's regulatory authority. A licensee is not eligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid. Any member state may investigate actual or alleged violations of the statutes and rules authorizing the practice of physical therapy in any other member state in which a physical therapist or physical therapist assistant holds a license or compact privilege. A member state may participate with other member states in joint investigations of licensee.

Article 7 details the powers and duties of the Compact Commission including the right to establish by-laws, maintain the commissions financial records, meet and take actions consistent with the compact and the bylaws, promulgate uniform rules to facilitate and coordinate implementation and administration of the compact, bring and prosecute legal proceedings or actions in the name of the commission, hire employees, elect or appoint officers, fix compensation, define duties, and grant such individuals appropriate authority to carry out the purposes of the compact and to establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel and other related personnel matters, and establish and elect an executive board. The executive board, consisting of nine members, is vested with duties and responsibilities including ensuring compact administration services are appropriately provided, preparing and recommending the budget and maintaining financial records on behalf of the commission.

Article 8 of the Compact details that the commission is to provide for the development, maintenance and utilization of a coordinated database and reporting system containing licensure, adverse action and investigative information on all licensed individuals in member states.

Article 9 vests the Commission with rulemaking powers. The executive, legislative and judicial branches of state government in each member state shall enforce the compact and take all actions necessary and appropriate to effectuate the compact's purpose and intent.

Article 10 specifies the process by which determinations by the Commission that a member state has defaulted in the performance of its obligations or responsibilities under the compact or the promulgated rules, are to be handled.

Article 11 Implementation Date: Emergency Effective Date: HB 82 is to take effect immediately in the interest of public peace, health and safety.

FISCAL IMPLICATIONS

NOTE 1: A direct fiscal impact is anticipated for the Regulation and Licensing Department (RLD) if HB82 is enacted for necessary additions and updates that would have to be made to the NM Plus online licensing system that is utilized by the RLD for all licensing under the Act. Contracting fees for information technology development and implementation of the necessary changes to the NM Plus licensing system are estimated to be forty thousand dollars (\$40,000). Due to Emergency Effective Date provision of HB82, the additions and updates to the NM Plus system would have to begin immediately upon signing of the bill, thereby requiring this funding to be provided in FY25.

NOTE 2: An involved administrative rulemaking process, including a public hearing and all required publication of notices and proposed rules, would be required to update and amend current administrative rules issued pursuant to the Act if HB82 is enacted. Due to the extensive nature of the rulemaking required, expenses involved are estimated at three thousand dollars (\$3,000). Due to Emergency Effective Date provision of HB82, this rulemaking would have to begin immediately upon signing of the bill, thereby requiring this funding to be provided in FY25.

NOTE 3: If HB82 is enacted, the Board is anticipated to incur out-of-state travel expenses for its compact commission delegate members to attend annual meetings. It is unclear whether the travel costs will be covered by the Compact Commission, the attending delegates, or the Board itself. However, there is a possibility that expenses for the one (1) New Mexico delegate's attendance will need to be covered. If the Board is responsible for these costs, the potential expenses are estimated to cost a minimum of \$2,000 per day for the delegates each year, with an estimated four (4) days of travel and attendance each year. Therefore, the RLD anticipates a resulting expense of eight thousand dollars (\$8,000) per year in FY26 and future years.

NOTE 4: Application and licensing fees charged in New Mexico for Physical Therapist licensure under the New Mexico Physical Therapy Act (Act), §61-12D-1 NMSA 1978 *et seq.*, include an initial application fee of \$250.00 and \$160.00 for license renewal. Current licensing fees for a Physical Therapist Assistant under the Act are \$200.00 for initial licensing and \$120.00 for renewal. In comparison, annual licensing fees for Physical Therapists in neighboring states range from \$0.00 in Arizona to \$50.00 in Texas and

Colorado. If Physical Therapists or Physical Therapy Assistants who are currently licensed in New Mexico are also licensed in another Compact state that has lower licensing fees, those individuals may choose to not renew their current New Mexico license but continue to practice in New Mexico under the terms of the Compact. In such a case, overall licensing revenues under the Act may decrease. However, by making it easier for professionals in this industry to begin practicing their trade in New Mexico via the Compact, more professionals in this industry may relocate to New Mexico permanently and then become fully licensed in New Mexico going forward which could result in increased licensing revenues under the Act over time.

SIGNIFICANT ISSUES

It is expected that joining the national compact will increase the number of physical therapists who are licensed to provide services in New Mexico and boost economic development across the state. According to Think New Mexico, there are 38 member states to the Compact, including all of the states surrounding New Mexico, Arizona, Colorado, Oklahoma, Texas, and Utah. The state of New Mexico is expected to benefit from the interstate practice and flexibility the Compact allows licensees. The Compact assists member states in an established collaborative structure to increase consumer access to licensed physical therapy services by reducing regulatory barriers for practitioners across the member states.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

As noted above, enactment of HB82 bill would require the Board to adopt rules in accordance with the requirements, procedures and bylaws of the compact, and an enhancement to the current NM Plus online licensing system will be necessary. RLD staff will likewise need training to recognize what is acceptable documentation for compact membership.

Federal Background Checks and Fingerprinting will need to be implemented. This would be a new provision to the current licensing requirements and will involve an increase in the duties of RLD staff assigned to licensing for the Board.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 82 will operate in cooperation with current New Mexico law regarding expedited licensure for certain individuals who are already licensed in other states as well as members of the U.S. armed forces, veterans, and their family members.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

The Physical Therapy Board (Board) has indicated strong support for HB 82. The Board has indicated that HB 82 has the potential to have a great impact on the profession and the public of New Mexico. Per the last workforce data produced by the state, physical therapy presents with a nearly equal workforce deficit as nursing based on professional-to-resident ratio.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Licensure in New Mexico for Physical Therapists will continue to be a barrier to access to physical therapy services for individuals in New Mexico needing these services. Non-participation in the

Compact will keep New Mexico at a competitive disadvantage regarding recruitment of Physical Therapy providers to our state.

AMENDMENTS