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FISCAL IMPACT REPORT

SPONSOR Thomson LAST UPDATED _____
ORIGINAL DATE 1/29/2025
SHORT TITLE Physical Therapy Licensure Compact BILL NUMBER House Bill 82/ec
ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD	\$43.0	\$8.0	\$8.0	\$59.0	Recurring	Physical Therapy Board

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

Department of Veterans' Services (DVS)

Department of Military Affairs (DMA)

SUMMARY

Synopsis of House Bill 82/ec

House Bill 82 (HB82) enters New Mexico into the Physical Therapy Licensure Compact (PT compact) to “facilitate interstate practice of physical therapy with the goal of improving public access to physical therapy services.” The PT compact states it “preserves the regulatory authority of states to protect public health and safety through the current system of state licensure.” The bill offers definitions for the PT compact, including “home state” to mean the licensee’s state of residence, “member state” to mean a state that has enacted the PT compact, and “remote state” as a member state other than the home state, where one seeks licensure.

The bill also details criteria a state must implement to participate in the PT Compact, including (1) participation in the data system, (2) having a mechanism for receiving and investigating complaints about a licensee, (3) notifying the commission of any adverse action regarding a licensee, (4) implementing a criminal history background check system, (5) complying with rules of the PT compact and its commission, (6) utilizing a national examination as requirement for licensure, and (7) requiring continuing education as a condition for license renewal.

Further, the bill amends Section 61-12D-10 NMSA 1978 of the Physical Therapy Act to allow

the board to conduct state and federal background checks, as required under the PT compact. The language in this section says the board shall not disseminate this information across state lines.

This bill contains an emergency clause and is effective on signature by the governor.

FISCAL IMPLICATIONS

In the absence of a licensing compact, physical therapists pay \$250 for initial licensure and \$160 for renewal fees in New Mexico. States may also charge a fee to access PT compact privileges.

Some states have been slow to join the PT compact because of the fear of losing revenue from licensing fees. However, the Federation of State Boards of Physical Therapy reports that data from existing states in the PT compact suggests that licensee numbers have remained stable in those states, and states have been able to integrate compact processes without additional staff.

RLD reports the cost to update its *NM Plus* licensing system is approximately \$40 thousand. Due to the emergency provision, the work will have to begin immediately if the governor signs the bill. Also, RLD explains, the cost to update administrative rules is \$3,000. The board is also anticipated to incur out-of-state travel expenses for its PT compact commission delegates to attend annual meetings, at a recurring cost of \$8,000 in FY26 and future fiscal years.

The cash balance in the physical therapy board fund as of December 2024 is \$1.4 million, which suggests sufficient revenue to cover the increased activities and potentially lower licensing fees.

SIGNIFICANT ISSUES

The PT compact is an agreement between states to allow physical therapists to practice across state lines without the need for separate licenses. Currently, 31 states are accepting PT compact privileges. According to RLD and data from the state, physical therapy shows a nearly equal workforce deficit as nursing based on professional-to-resident ratio.

The PT compact provides for a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states. The PT compact also has a process to handle determinations if a member state has defaulted in the performance of its obligations or responsibilities under the PT compact or promulgated rules.

ADMINISTRATIVE IMPLICATIONS

Enactment of HB248 will require staffing resources from RLD and its Physical Therapy Board.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB82 is nearly identical to HB248 from the 2023 legislative session except it clarifies the commission's role in defending delegates and employees in a civil action that occurred within the scope of commission employment and provides for state and federal background checks.