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## FISCAL IMPACT REPORT

SPONSOR Mathews/Thomson/Armstrong LAST UPDATED 2/14/2023  
ORIGINAL DATE 2/6/2023  
BILL  
SHORT TITLE Physical Therapy Licensure Compact NUMBER House Bill 248/ec  
ANALYST Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal		Physical Therapy Board

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Companion to Senate Bill 247

### Sources of Information

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

## SUMMARY

### Synopsis of House Bill 248

Senate Bill 60 (SB60) enters 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 bill states that the Compact preserves the regulatory authority of states to protect public health and safety through the current system of state licensure. The bill offers definitions as used in the Compact including “home state” to mean the licensee’s primary state of residence, “member state” to mean a state that has enacted the Compact, and “remote state” as a member state other than the home state, where a licensee seeks licensure.

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

This bill contains an emergency clause and would become effective immediately on signature by the governor.

## FISCAL IMPLICATIONS

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

STATE	Arizona	Colorado	Texas	Utah	Oklahoma
State Fee	\$0	\$50	\$50	\$47	\$55
Compact Fee	\$45	\$45	\$45	\$45	\$45
<b>TOTAL</b>	<b>\$45</b>	<b>\$95</b>	<b>\$95</b>	<b>\$92</b>	<b>\$100</b>

Fees are expected to cover increased activities for the Physical Therapy Board. A jurisprudence exam must also be taken and passed in most states before one can apply for Compact privileges.

The cash balance in the physical therapy board fund at RLD as of December 2022 is \$1.5 million.

## SIGNIFICANT ISSUES

The Physical Therapy Licensure Compact is an agreement between states to increase the mobility of eligible physical therapy providers to work in multiple states. Currently, 28 states are accepting Compact privileges, including all states that border New Mexico; six states have enacted legislation but have not yet issued Compact privileges; and 10 states have introduced Compact legislation. 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.

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

## PERFORMANCE IMPLICATIONS

RLD noted Section 61-12D-10 NMSA 1978 of the Physical Therapy Act will need to be amended to allow the department to conduct federal background checks, as required under the Compact.

## ADMINISTRATIVE IMPLICATIONS

Enactment of HB248 will require the Physical Therapy Board and RLD staff to implement the Compact, respond to inquiries, and conduct an administrative rulemaking process/hearing.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Senate Bill 247 (SB247) is a companion bill that updates the Uniform Licensing Act, Section 60-1-1 NMSA 1978 *et seq*, by including new provisions applicable to licensing Compacts.

AHO/al/ne/rl