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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Thomson **ORIGINAL DATE** 1/23/2025

BILL

SHORT TITLE Occupational Therapy Licensure Compact **NUMBER** House Bill 81

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	Board of Examiners for Occupational Therapy Fund
Total	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	Board of Examiners for Occupational Therapy Fund

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)
 Veterans' Services Department (DVS)
 Department of Military Affairs (DMA)
 University of New Mexico (UNM)

SUMMARY

Synopsis of House Bill 81

House Bill 81 (HB81) enters New Mexico into the Occupational Therapy Licensure Interstate Compact (OT Compact) to facilitate the practice of occupational therapy across state lines while preserving the state's regulatory authority. Occupational therapists work with children with developmental delays and adults with conditions that make daily activities more difficult.

Sections 1 and 2 cite the act and purpose which includes increasing access to occupational therapy, enhancing the exchange of licensure and disciplinary information among states, and facilitating the use of telehealth technology to increase access to occupational therapy services.

Section 3 defines many terms, among them "Compact privilege", which is the authorization granted by a remote state to an occupational therapist or occupational therapy assistant to practice under that state's laws and rules. "Telehealth" is the use of technology to deliver

occupational therapy services for assessment, intervention, and consultation purposes.

Section 4 lays out requirements for state participation in the OT Compact that include: using the commission's data system, notifying the commission of adverse actions regarding a licensee, having procedures to obtain biometric-based background information to obtain an applicant's criminal history record within a time frame established by the commission, using a recognized national exam for initial licensure, having a continuing education requirement for renewal, and agreeing that the OT Compact will not affect a state's ability to issue its single-state license.

Section 5 includes requirements for licensees seeking to obtain OT Compact privileges that include agreeing to a background check and paying all state and OT Compact fees. This section requires an occupational therapy assistant practicing in a remote state to be supervised by an occupational therapist that is licensed or holds an OT Compact privilege in that remote state.

Section 6 explains that home state licenses, which allow for privileges in member states, may be held in only one member state at a time, and provides guidance for moving between states.

Section 7 requires active-duty military personnel to designate a home state where the individual holds a current license in good standing and provides guidance for changing one's home state.

Section 8 sets forth criteria and authority with which home and remote states may impose adverse actions against a licensee.

Section 9 recognizes the multi-state Occupational Therapy Compact Commission, allows one delegate from each state to serve on the commission, and outlines the duties of the commission.

Section 10 addresses qualified immunity, defense and indemnification of commission members, officers, employees, and representatives.

The remaining sections of the bill address requirements for a data system that uses a unique identifier when submitting data to the OT Compact (Section 11), rulemaking requirements of the commission (Section 12), oversight and dispute resolution and enforcement related to disagreements among member states (Section 13), procedures for withdrawing from the OT Compact (Section 14), construction and severability of the language in the OT Compact (Section 15), and the binding effect of the OT Compact (Section 16).

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

HB81 should increase the number of occupational therapists licensed to practice in New Mexico. States may charge a fee for allowing a licensee with OT Compact privileges to practice in their state. Costs that the Board of Examiners for Occupational Therapy may incur include fee assessments that may be determined later by the commission, travel expenses for the commission delegate from New Mexico to attend commission meetings, and costs to interface with the commission's data system. Any costs incurred by the Board of Examiners for Occupational Therapy would be minimal.

The University of New Mexico notes that the provision for telehealth services using providers from outside of New Mexico may decrease the usage of in-person providers in the state, potentially decreasing revenue for state facilities and creating fewer employment opportunities for its graduates.

SIGNIFICANT ISSUES

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The OT Compact allows licensed occupational therapists and occupational therapy assistants to practice in any state that participates in the OT Compact. This means that these practitioners would no longer need to get a license in each state where they want to obtain practicing privileges.

The Occupational Therapy Compact Commission consists of one delegate from each member state which is granted authority to: promulgate uniform rules to facilitate the OT Compact (which may be rejected by a majority of legislatures of member states by enactment of a statute or resolution in the same manner used to adopt the OT Compact), bring legal proceedings, impose assessments from each member state or fees on other parties to cover costs, conduct all necessary business, and elect a board.

The nine-member executive board manages the business of the commission and monitors and reports compliance. Procedures for meetings of the commission and board are provided in the bill. The commission grants qualified immunity to its commission, board, and employees, and provides procedures for default, technical assistance, and termination relating to member states.

The Veterans' Services Department believes this bill will positively impact veterans in New Mexico by providing means to have more licensed professionals to provide specialized services to veterans and their families.

ADMINISTRATIVE IMPLICATIONS

The Board of Examiners for Occupational Therapy in New Mexico will be required to adopt rules in accordance with the requirements, procedures, and bylaws of the OT Compact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 392 from 2023 is nearly identical to House Bill 81, with only minor differences related to OT Compact data systems and requirements for licensee background checks.

OTHER SUBSTANTIVE ISSUES

There are thirty-one states in the OT Compact, including neighboring Arizona and Colorado.