

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 203** SLS 18RS 319

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 21, 2018 8:45 AM	<b>Author:</b> PEACOCK
<b>Dept./Agy.:</b> LA Physical Therapy Board	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Enacts the Physical Therapy Licensure Compact	

PHYSICAL THERAPISTS OR DECREASE SG RV See Note  
Provides relative to the Physical Therapy Licensure Compact. (gov sig)

Proposed law establishes the multi-state Physical Therapy Licensure Compact and allows Louisiana to join for physical therapists and physical therapy assistants to obtain multi-state license privileges to practice in other compact states. Proposed law provides for criminal background checks, licensure, and education, as well as verification of licensure through a coordinated system. Proposed law requires physical therapists and physical therapy assistants leaving their home states to practice in another compact state to comply with the laws of that compact state. Proposed law provides that home states are responsible for undertaking disciplinary action against physical therapists and physical therapy assistants in violation of practice act requirements. Proposed law establishes the Physical Therapy Compact Commission and grants each state a seat on the commission. Proposed law provides for the appointment of a current member of the LA Board of Physical Therapy to sit on the Compact Commission.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law may increase SGR expenditures for the LA Physical Therapy Board (LPTB) by a nominal amount due to anticipated expenditures for IT modifications, increased enforcement activity, and travel reimbursements. However, the LPTB anticipates being able to absorb the financial impact associated with the proposed legislation. For reference, the LPTB has a FY 18 appropriation of approximately \$855,100 and had a year-end fund balance of approximately \$1.11 M in FY 17.

The LPTB reports that up-front expenditures associated with enacting the Physical Therapy Licensure Compact (PTLC) are primarily associated with information technology upgrades to modify its database and website. Anticipated database modifications include tracking physical therapists (PTs) and physical therapy assistants (PTAs) domiciled in another PTLC state that are practicing in Louisiana. Furthermore, the LPTB intends to update its website to list licensure information for PTs and PTAs domiciled in another state that are practicing in LA. The LPTB reports an estimated ongoing annual cost of approximately \$2,000 to fund these IT modifications.

Additionally, proposed law may increase expenditures associated with enforcement activity for the LPTB. To the extent PTs and PTAs domiciled outside of Louisiana violate laws and/or administrative rules enforced by the LPTB, the Board may investigate the alleged violations and recommend disciplinary measures to those persons' home state licensing boards. Any increase in enforcement activity resulting from proposed law is indeterminable and dependent upon persons domiciled elsewhere practicing in Louisiana and committing violations during the course of practice. **(Expenditure Explanation cont. on Page 2)**

**REVENUE EXPLANATION**

Proposed law may result in an anticipated net SGR loss for the LA Physical Therapy Board (LPTB) beginning in FY 19 and would be fully realized in FY 20 due to Louisiana offering compact privileges to practice for PTs and PTAs located outside of LA, rendering the need for licenses, as well as payment of the associated application and renewal fees for persons in those states unnecessary. For reference, the LPTB issues two-year licenses, which carry initial application fees of \$250 and renewal fees of \$280. As a result, the full revenue effect of out-of-state licensees lapsing their Louisiana licenses would span two fiscal years would be fully realized by FY 20. For illustrative purposes, the LPTB reports 270 licensees domiciled outside of LA. To the extent all out of state licensees lapse their Louisiana licenses, the revenue reduction would total \$75,600 (\$280 renewal fee \* 270 licensees) by FY 20. Because it is unknown how many licensees holding LA licenses are currently practicing in compact states with compact legislation enacted or in process, the actual number of out-of-state licensees that may lapse their LA license is indeterminable. However it must be noted that Louisiana borders two compact states, Texas and Mississippi.

Furthermore, this revenue loss will be offset in part by a new fee to gain privileges to practice in LA for PTs and PTAs domiciled in compact states contemplated in the proposed legislation. The LPTB reports that these fees range from \$0 to \$70 in the compact states it has surveyed, but the LPTB does not yet know what fee it will set to grant persons in compact states privileges to practice. To the extent all out of state licenses lapse in FYs 19 and 20 and persons currently holding them gain privileges to practice in LA allowed by the compact after paying a fee between \$0 and \$70, the net revenue loss would be partially offset by between \$0 and \$18,900 (\$70 \* 270 out-of-state licensees), yielding a net revenue reduction between \$56,700 (\$75,600 - \$18,900) and \$75,600. **(Revenue Explanation cont. on Page 2)**

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**

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**CONTINUED EXPLANATION from page one:**

**(Expenditure Explanation cont. from Page 1)** However, any expenditure increase associated with greater enforcement activity is anticipated to be funded utilizing existing resources. Furthermore, proposed law does allow for compact states to claw back costs of investigations resulting from any adverse actions taken against an offending licensee not domiciled in Louisiana (see Revenue Explanation).

Furthermore, proposed law provides that each compact state will have one administrator appointed by the governor on the PTLC's Interstate Commission who will be eligible to participate in the affairs of the commission, including participation at meetings. To the extent Louisiana's administrator travels to these meetings, they will be reimbursed pursuant to state travel guidelines. The LPTB anticipates funding travel expenses utilizing existing resources.

Lastly, the PTLC is able to charge compact states an annual fee to participate in the compact. While the PTLC currently does not have an annual participation fee in place, the LPTB anticipates funding this ongoing cost utilizing existing resources to the extent a participation fee is promulgated.

**(Revenue Explanation cont. from Page 1)** Additionally, to the extent the proposed legislation lowering fees to practice in LA results in more persons seeking privileges to practice in LA, the increased volume of persons seeking privileges under the auspices of the compact may further serve to mitigate the revenue loss. However, because of the factors mentioned above and on the prior page, the aggregate net revenue loss associated with transition to the compact is indeterminable.

Furthermore, proposed law allows for compact states to claw back costs of investigations from offending licensees in the a event there is a complaint against a licensee domiciled in a compact state. To the extent this occurs, these revenues would accrue to the LPTB as SGR. However, it is unknown if such a situation would occur, and any revenue gained from this source is speculative.

Senate

Dual Referral Rules

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House

- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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