

LSC Redbook

Analysis of the Executive Budget Proposal

Occupational Therapy, Physical Therapy, and Athletic Trainers Board

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February 2015

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Occupational Therapy, Physical Therapy, and Athletic Trainers Board

- Non-GRF agency; funded by fee revenues
- Funding held level in FY 2016 and increases 2.1% in FY 2017
- About 27,600 active licenses

OVERVIEW

Agency Overview

The Occupational Therapy, Physical Therapy, and Athletic Trainers Board was established in 1976. Originally responsible for licensing occupational therapists, the Board's responsibility expanded in 1977 to include licensing physical therapists, which until then had been regulated by the State Medical Board, and again in 1990 to include licensing athletic trainers. About 27,600 Board-issued licenses are currently active.

The Board's governing authority consists of 20 members appointed by the Governor, including four occupational therapists, nine physical therapists (only five are voting members), four athletic trainers, one occupational therapy assistant, one physician, and one public member. Members are appointed for three-year terms and may serve no more than three consecutive terms. The Board is divided into three separate sections representing occupational therapy, physical therapy, and athletic trainers. The full Board meets twice a year to discuss issues such as finances, personnel issues, election of officers, the laws and rules, and other board issues. The three sections meet separately seven times a year to discuss applications, laws and rules, and other concerns of their respective professions. In addition to travel reimbursement, board members receive compensation for the performance of official Board business. Total board member payroll costs are about \$25,000 per fiscal year.

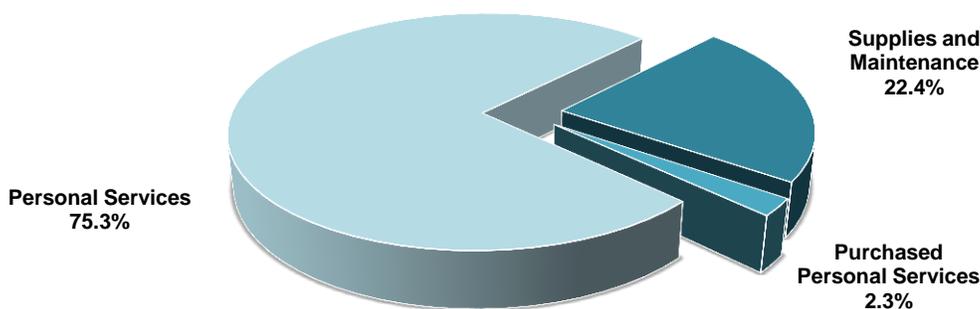
The Board's daily operations are the responsibility of an executive director who is appointed by the 20-member governing authority. Including the Executive Director, the Board has nine full-time staff positions with an annual budget of \$925,897 in FY 2015. The Board receives no GRF moneys; it is entirely supported by fees.

Appropriation Overview

The executive recommends funding of \$925,897 in FY 2016, which is level with FY 2015 estimated expenditures, and \$944,865 in FY 2017, a 2.1% increase over FY 2016. With the recommended funding, the Board plans to maintain current operations.

As a regulatory agency, personal services is the Board's largest expense category. As seen in the chart below, 75.3% of the executive budget recommendations for the biennium are for personal services and 22.4% are for supplies and maintenance; the remaining 2.3% are for purchased personal services.

Chart 1: Executive Budget Recommendations by Expense Category, FY 2016-FY 2017



As with many other licensing boards and commissions, the Board receives centralized administrative support services provided by the Central Service Agency (CSA) of the Department of Administrative Services (DAS). Services made available through CSA include budget development, Controlling Board request preparation assistance, management consultation, procurement, fiscal processing, human resources, and payroll. These centralized services help increase overall efficiency. The Board pays CSA for services rendered. In the FY 2016-FY 2017 biennium, the Board estimates CSA charges of \$35,000 per fiscal year, which are included in the supplies and maintenance category. In FY 2014, the Board paid \$30,805 in CSA charges.

Fee Revenues and Fund 4K90

The Board issues five different types of licenses: occupational therapist, occupational therapy assistant, physical therapist, physical therapist assistant, and athletic trainers. The application fee for each type of license is \$100. Licenses issued by the Board are renewable on a biennial basis. The renewal fee for each license is \$70. The last licensing fee increases were in the mid to late 1990s. In addition to the five licenses, the Board issues reinstatement licenses, limited permits for occupational therapists and

occupational therapy assistants, and endorsements for physical therapists and physical therapist assistants.

Fee revenues collected by the Board are deposited into the Occupational Licensing Regulatory Fund (Fund 4K90), which was established by H.B. 152 of the 120th General Assembly. Twenty-six occupational licensing and regulatory boards and commissions, including the Occupational Therapy, Physical Therapy, and Athletic Trainers Board, use Fund 4K90 as an operating account into which receipts are deposited and from which expenses are paid. Each licensing board or commission is generally expected to be self-sufficient, i.e., generating enough revenue to cover its expenses.

Table 1 below shows the Board's revenues and expenditures from FY 2011 through FY 2017 as well as the net of revenues less expenditures. As seen in the table, revenues have exceeded expenditures since FY 2011. In September 2007, the Board began to transition to a new license renewal cycle. The former renewal cycle was based on the first letter of the licensee's last name; the new cycle is based on the type of license. The new system was fully implemented in FY 2010. The new system generally results in higher revenues in the second year of each biennium, since a little over half of licensees renew on odd-numbered fiscal years. However, since the total licensees continue to grow at a rate of about 5% per year, revenues are projected to increase each year.

Table 1. Revenues and Expenditures							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 (estimate)	FY 2016 (estimate)	FY 2017 (estimate)
Revenue	\$1,192,961	\$1,123,402	\$1,318,031	\$1,119,460	\$1,401,030	\$1,176,550	\$1,374,650
Expenditures	\$771,135	\$736,761	\$764,941	\$835,893	\$925,897	\$925,897	\$944,865
Net of Rev. & Exp.	\$421,826	\$386,641	\$553,090	\$283,567	\$475,133	\$250,653	\$429,785

ANALYSIS OF EXECUTIVE PROPOSAL

The Board's operations are funded by a single line item appropriation from the Dedicated Purpose Fund Group. The table below shows the Governor's recommended funding for the line item.

Governor's Recommended Funding for the Board				
Fund	ALI and Name		FY 2016	FY 2017
Dedicated Purpose Fund Group				
4K90	890609	Operating Expenses	\$925,897	\$944,865

The executive recommends funding of \$925,897 in FY 2016, which is level with FY 2015 estimated expenditures, and \$944,865 in FY 2017, a 2.1% increase over FY 2016. Overall, recommended appropriations will allow the Board to maintain its current operations at current cost levels for the next biennium. However, recommended appropriations do not cover the cost of legal notices or the cost of a scanning project the Board initially planned to carry out in FY 2015.

In the FY 2016-FY 2017 biennium, the Board will continue to focus on minimizing the processing time to issue initial licenses and renewal applications. Performance measures were developed to assess the Board's ability to process licensure applications in a timely manner. Results of the most recent performance measure assessment can be found on the Board's website.¹ In the FY 2014-FY 2015 biennium, the Board began accepting credit card payment and filled a vacant administrative position, which has helped improve processing speed.

In the FY 2012-FY 2013 biennium, in addition to ongoing operating expenses, the Board paid the cost of its biennial audit conducted by the Auditor of State (as required under S.B. 155 of the 128th General Assembly, effective March 31, 2010). The Board expended about \$9,600 for this audit. The Board has yet to complete its audit for the FY 2014-FY 2015 biennium, but has budgeted about \$12,000. The Board has budgeted about \$15,000 for an audit in the FY 2016-FY 2017 biennium.

Licenses

To carry out its regulatory responsibility, the Board establishes standards and licenses qualified practitioners of occupational therapy, physical therapy, and athletic trainers. In order for applicants to be eligible for licensure, they must successfully pass the national examination for the field in which they are applying, complete an application, and submit to a criminal records check. The licensure process involves evaluating the applicant's credentials, formal education, and competency.

¹ <http://otptat.ohio.gov/Consumers/PerformanceMeasures.aspx>.

The total number of active licenses issued by the Board increased by 1,637 (6.3%) from FY 2013 to FY 2014. Table 2 shows the number of active licenses issued by the Board for FY 2014 compared with FY 2013.

Table 2. Active Licenses*			
License Type	FY 2013	FY 2014	% Change
Occupational Therapist	4,871	5,233	7.4%
Occupational Therapy Assistant	3,771	4,102	8.8%
Physical Therapist	8,459	8,604	1.7%
Physical Therapist Assistant	6,597	7,122	8.0%
Athletic Trainer	2,235	2,509	12.3%
TOTAL	25,933	27,570	6.3%

*Data shown is as of June 30 each year.

Licenses issued by the Board are required to be renewed every two years. Occupational therapy assistants and physical therapists renew licenses on even-numbered years. Occupational therapists, physical therapist assistants, and athletic trainers renew on odd-numbered years. As seen in Table 3, in FY 2013, the Board issued 15,185 licenses, including both initial licenses and renewals. As shown in Table 4, in FY 2014, the Board issued 13,992 licenses.

Table 3. Licenses Issued in FY 2013			
License Type	Initial	Renewal	Total
Occupational Therapist	301	4,779	5,080
Occupational Therapy Assistant	413	0	413
Physical Therapist	622	0	622
Physical Therapist Assistant	541	6,328	6,869
Athletic Trainer	282	1,919	2,201
TOTAL	2,159	13,026	15,185

Table 4. Licenses Issued in FY 2014			
License Type	Initial	Renewal	Total
Occupational Therapist	310	0	310
Occupational Therapy Assistant	384	3,800	4,184
Physical Therapist	566	8,171	8,737
Physical Therapist Assistant	509	0	509
Athletic Trainer	252	0	252
TOTAL	2,021	11,971	13,992

The Board currently utilizes the eLicensing system for initial and renewal licensure applications. In FY 2014, 98.8% of renewal licenses were processed online and 77.7% of initial licensure applications were submitted online through the eLicensing system. This component allows applicants to apply for their license online and to pay the fee with a credit card. The eLicensing system is administered through CSA. Each board that participates in the eLicensing system receives a basic component of the system that includes a database of all licensees and their license status. Boards have the option of purchasing additional components of the system including initial licensure, renewal, image storing and indexing, and complaint tracking. In the FY 2016-FY 2017 biennium, the Board expects to adopt the eLicensing 2 system. The cost of this change is not yet known.

Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, or impaired practitioners, and to enforce the rules and laws governing the practice of occupational therapy, physical therapy, and athletic trainers. All complaints to the Board must be submitted in writing, which are then reviewed to determine whether the Board has the legal authority to take action. The Board investigates all complaints. In FY 2014, the Board received 95 complaints and disciplined 72 licensees. The number of investigations and disciplined licensees by section is shown in Table 5 below.

License Type	Investigations	Licensees Disciplined
Occupational Therapy Section	29	42
Physical Therapy Section	55	25
Athletic Trainer Section	11	5
TOTAL	95	72

The most common disciplinary action taken by the Board was ongoing monitoring of licensees. In addition, the Board revoked two licenses, suspended one, and placed three licensees on probation.

Continuing Education

The Board requires licensees to complete continuing education (CE) for license renewal. Annually, the Board audits about 20% of its licensees to verify completion of the required number of CE hours. CE requirements differ depending upon the type of license, but all courses must be approved by the Board. Table 6 shows the number of hours per renewal cycle (two years) required for each type of license.

License Type	Required Hours
Occupational Therapist	20
Occupational Therapy Assistant	20
Physical Therapist	24
Physical Therapist Assistant	12
Athletic Trainer	25

Cost Containment

For the FY 2016-FY 2017 biennium, the Board plans to continue its efforts to maintain lower costs. Full Board meetings occur two times per year (instead of three), and section meetings occur seven times per year (instead of eight). Board meeting schedules are adjusted to reduce the number of members that need overnight accommodations. The Board works to minimize all printing and postage costs. Application instructions are posted on the website instead of mailed. The Board also posts copies of public records and meeting materials on its website and has established a Facebook and Twitter account to communicate important news to stakeholders in a timely fashion.

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Occupational Therapy, Physical Therapy, and Athletic Trainers Board

Dedicated Purpose Fund Group

4K90 890609 Operating Expenses

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$736,761	\$764,941	\$835,893	\$925,897	\$925,897	\$944,865
	3.8%	9.3%	10.8%	0.0%	2.0%

Source: Dedicated Purpose Fund Group: License fees and other assessments collected by the state's professional and occupational licensing boards

Legal Basis: ORC 4755.03 and 4743.05; Section 337.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is used to pay the Occupational Therapy, Physical Therapy, and Athletic Trainers Board's operating expenses, including personal services, supplies, maintenance, and equipment. The Board licenses and regulates the professions of occupational therapy, physical therapy, and athletic training. The Board sets standards of practice, investigates complaints, determines appropriate disciplinary action, and approves continuing education programs. The Board is divided into three separate sections representing occupational therapy, physical therapy, and athletic trainers. The full Board meets twice a year to discuss issues such as finances, personnel, election of officers, the laws and rules, and other board issues. The three sections meet separately seven times a year to discuss the concerns of their respective professions.

FY 2016 - FY 2017 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Estimate	Introduced	FY 2015 to FY 2016	Introduced	FY 2016 to FY 2017	
			FY 2014	FY 2015	FY 2016	% Change	FY 2017	% Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
PYT Occupational Therapy, Physical Therapy, and Athletic Trainers Board								
4K90	890609	Operating Expenses	\$ 835,893	\$ 925,897	\$ 925,897	0.00%	\$ 944,865	2.05%
Dedicated Purpose Fund Group Total			\$ 835,893	\$ 925,897	\$ 925,897	0.00%	\$ 944,865	2.05%
Occupational Therapy, Physical Therapy, and Athletic Trainers Board Tot			\$ 835,893	\$ 925,897	\$ 925,897	0.00%	\$ 944,865	2.05%