

SF1322 - 0 - Physical Therapy Interstate Licensure Compact

Chief Author: **Kelly Morrison**
 Committee: **Health And Human Services**
 Date Completed: **3/14/2024 2:27:54 PM**
 Agency: **Physical Therapy Board**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	160	75	75
Total	-	-	160	75	75
Biennial Total			160		150

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	1	1	1
Total	-	-	1	1	1

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Steve McDaniel **Date:** 3/14/2024 2:27:54 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	160	75	75
Total	-	-	160	75	75
Biennial Total			160		150
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Related Boards	-	-	160	95	95
Total	-	-	160	95	95
Biennial Total			160		190
2 - Revenues, Transfers In*					
Health Related Boards	-	-	-	20	20
Total	-	-	-	20	20
Biennial Total			-		40

Bill Description

SF1322 establishes an interstate compact for Physical Therapists. The Physical Therapy Interstate Compact (compact) will allow licensed physical therapists to apply for a privilege to practice in all states that join the compact. This will eliminate the need for physical therapists to obtain a separate license in each state in which they want to practice. The compact establishes coordinated processes across member states for exchanging information and enacting disciplinary actions ensuring public protection across state lines.

Assumptions

The bill establishes an interstate Physical Therapy compact agreement between the Board and the Interstate Compact Commission.

The State of Minnesota Board of Physical Therapy Practice (Board) understands that the compact has met the minimum number of member states to begin operations.

The Board assumes that it could issuing compact privileges in FY 26.

The Board assumes that the establishment of a compact privilege will include one-time licensure database (ALIMS) modifications and associated costs to manage and track information related to individuals applying for a compact privilege. These IT costs will include but are not limited to:

- Costs associated with linking the Board's data systems to the Compact Commission's data systems and allowing those system to share data.
- Costs associated with establishing a new "license basis" within the Boards database.
- Costs associated with website modifications to reflect compact privilege holders and information for the public.
- Costs associated with creating the capacity to track details related to compact privilege holders including state of home licensure, complaint management, and adverse action monitoring.

The Board assumes it will impose a fee for issuance of a compact privilege to offset some of the costs of administering compact privileges and any associated disciplinary action.

The Board assumes there will be an ongoing member/annual fee to participate in the Compact.

The Board assumes it will need a new 1.0 FTE Office and Administrative Specialist, intermediate role to support implementation and ongoing management of the compact system.

The Board assumes that a board member or staff will represent the Minnesota Board on the compact commission and that associated expenditures will be required.

The Board assumes one-time costs for sending notification of the compact to its licensees and applicants via email, updating the Board's website, and creation and distribution of education materials. Any additional notification costs will be absorbed.

Currently, the board collects sufficient revenue to cover the increased appropriation needed to establish and maintain this program without having to raise fees beyond the compact privilege fee. The Board assumes revenue will vary annually and increase incrementally to cover additional portions of the expenditures.

Expenditure and/or Revenue Formula

Board of Physical Therapy Practice		FY25	FY26	FY27
Office and Administrative Specialist 1.0 FTE	\$90,443.65 per year based on salary/fringe calculations including regular increases	\$90,444	\$92,075	\$92,075
Board member or staff attendance at yearly meeting as delegate to the commission	Minimum of quarterly meeting participation with one time per year in person. Per diem of 3x \$75. In person participation includes per diem of 3x\$75 and travel costs including airfare, lodging, and meals.	3,000	3,000	3,000
IT related costs: ALIMIS database; website modification	One-time costs to develop the compact privilege in the Boards database. Ongoing maintenance will be absorbed by the board	\$65,000		
Costs associated with ongoing participation in the compact	unknown	unknown	unknown	unknown
Notification of licensees and related parties via email communication, distribution of educational materials	Estimated at \$1,000	\$1,000	-	-
Total Expenditures estimate		\$159,944	\$95,075	\$95,075

Revenue Formula

Board of Physical Therapy Practice		FY25	FY26	FY27
Compact privilege fee, Board fee charged to those seeking a compact privilege in the State of MN	200 applicants for compact privileges annually at \$100 per application beginning in FY26		\$20,000	\$20,000

Long-Term Fiscal Considerations

The Board anticipates that, after initial startup, the fees collected for a compact privilege in the State of MN will cover the costs of the Boards participation in the compact.

Local Fiscal Impact

No impact.

References/Sources

MN Board of Physical Therapy Practice Act MN Statutes 148.65 148.78

Interstate Compact bill language SF 1322

LynMark Consulting; database vendor

MN.IT

The MN Board of Physical Therapy collaborated with the MN Board of Behavioral Health and Therapy, the MN Board of Occupational Therapy, the MN Board of Dentistry, The MN Board of Medical Practice, and the MN Board of Social Work in formulating its assumptions and fiscal calculations for this bill.

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