

Table of Contents
Occupational Therapy Practice, Board of

| | |
|--|---|
| <i>Agency Profile</i> | 1 |
| <i>Agency Expenditure Overview</i> | 3 |
| <i>Agency Financing by Fund</i> | 4 |
| <i>Agency Change Summary</i> | 5 |
| <u>Change Item(s)</u> | 6 |
| <i>Operating Adjustment</i> | 6 |
| <i>Fee Adjustment</i> | 8 |

mn.gov/boards/occupational-therapy/

AT A GLANCE

Licensing services through August 22, 2018

- 3955 total number of active occupational therapist licensees
- 1246 total number of active occupational therapy assistant licensees
- 22 total number of currently active temporary occupational therapist licensees
- 14 total number of currently active temporary occupational therapy assistant licensees

Complaint Services- FY ending 6/30/2018 January 1, 2018- June 30, 2018

- 8 complaints open/received**
- 7 complaints closed

Staff

- 2.0 full time equivalent employees currently employed
- full time equivalent employee position (open)

*Occupational Therapy Licensing transitioned from MN Department of Health to MN Board of Occupational Therapy Practice (Board) fully 4/19/2018

**This includes active complaint files transitioned from MN Department of Health January 2018.

PURPOSE

The Minnesota Board of Occupational Therapy Practice exists to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of occupational therapy to reasonably ensure a standard of competent and ethical practice. Licensing of occupational therapy practitioners began in 1996 under the umbrella of the Minnesota Department of Health. The Board was established in 2018 under the authority of Minnesota Statutes, Chapter 148 transitioning all licensing activities from the Minnesota Department of Health to the newly formed Board. The Board carries out its mission by granting qualified applicants the privilege to practice in Minnesota and by investigating complaints related to the statutory obligation of licensed individuals to provide competent, ethical care.

The Board contributes to the statewide outcomes:

- **People in Minnesota are safe**
- **All Minnesotans have optimal health**
- **Government services are efficient and accountable**

BUDGET

The Board of Occupational Therapy was established January 1, 2018. Prior to January 1, 2018 this program was under the Department of Health.

The Board is funded by licensure fees and receives no general fund dollars. Minnesota Statutes section 214.06, subdivision 1(a) compels the Board to collect fees in the amount sufficient to cover direct and indirect expenditures. Funds are deposited as non-dedicated revenue into the state government special revenue fund. From this fund, the Board receives a direct appropriation to pay for agency expenses such as salaries, rent, costs associated with disciplinary/contested cases and operating expenditures. It also pays statewide indirect costs through an open appropriation.

In addition to Board operations, licensure fees fund activities that support multiple boards and/or other agencies. Some of these are: the Administrative Services Unit (inter-board), Health Professionals Services Program (inter-board), Office of the Attorney General for legal services, and the Criminal Background Check Program (inter-board).

STRATEGIES

The Board of Occupational Therapy Practice promotes and protects the health and safety of the citizens of Minnesota, accomplishes its public protection mission, and contributes to statewide outcomes by:

- Issuing licenses to practice only to qualified individuals;
- Administering the license renewal process;
- Responding to inquiries, complaints, and reports regarding applicants and licensees;
- Investigating and resolving complaints;
- Maintaining a comprehensive website that provides information to licensees, applicants, the public, and any other interested parties;
- Ensuring inquiries are managed in a timely and efficient manner;
- Educating stakeholders, licensees, potential licensees, educational programs, and the public;
- Conducting ongoing analysis of regulatory body best practice to ensure effective decision making

RESULTS

The information included below was generated using the Board’s licensure and regulatory database. The information demonstrates data collected and extrapolated from licensing at the Minnesota Department of Health along with the Board’s licensing activities. The total number of licensees continues to increase annually. Complaint data will be more reflective of current metrics at the end of FY19.

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|---|-----------------|----------------|-------------------|
| Quantity* | Number of new licenses issued: Occupational Therapist Occupational Therapy Assistants | 244 111 | 262 93 | FY 2017 & FY 2018 |
| Quantity* | Number of licensees renewing: Occupational Therapist Occupational Therapy Assistants | 2031 713 | 2665 564 | FY 2017 & FY 2018 |

*Includes Minnesota Department of Health Data. Licensing responsibility did not begin with the Board until April 17, 2018.

The Board’s activities are governed by Minnesota Statutes sections 148.6401 to 148.6449 (<https://www.revisor.mn.gov/statutes/cite/148>) and Minnesota Statutes chapter 214 (<https://www.revisor.mn.gov/statutes/?id=214>).

Occupational Therapy Practice Board

Agency Expenditure Overview

(Dollars in Thousands)

| | Actual FY16 | Actual FY17 | Actual FY18 | Estimate FY19 | Forecast Base | | Governor's Recommendation | |
|--|----------------|----------------|----------------|------------------|---------------|------|------------------------------|------|
| | | | | | FY20 | FY21 | FY20 | FY21 |

Expenditures by Fund

| | | | | | | | | |
|--------------------------------------|--|--|------------|------------|------------|------------|------------|------------|
| 1201 - Health Related Boards | | | 228 | 475 | 340 | 340 | 460 | 466 |
| 2000 - Restrict Misc Special Revenue | | | 5 | 14 | 12 | 12 | 12 | 12 |
| Total | | | 232 | 489 | 352 | 352 | 472 | 478 |
| Biennial Change | | | | 721 | | (17) | | 229 |
| Biennial % Change | | | | | | (2) | | 32 |
| Governor's Change from Base | | | | | | | | 246 |
| Governor's % Change from Base | | | | | | | | 35 |

Expenditures by Program

| | | | | | | | | |
|-------------------------------|--|--|------------|------------|------------|------------|------------|------------|
| Occupational Therapy Pract Bd | | | 232 | 489 | 352 | 352 | 472 | 478 |
| Total | | | 232 | 489 | 352 | 352 | 472 | 478 |

Expenditures by Category

| | | | | | | | | |
|-----------------------------|--|--|------------|------------|------------|------------|------------|------------|
| Compensation | | | 68 | 279 | 256 | 256 | 315 | 321 |
| Operating Expenses | | | 123 | 209 | 95 | 95 | 155 | 155 |
| Other Financial Transaction | | | 42 | 1 | 1 | 1 | 2 | 2 |
| Total | | | 232 | 489 | 352 | 352 | 472 | 478 |

Full-Time Equivalents

| | | | | | | | | |
|--|--|--|------|------|------|------|------|------|
| | | | 0.48 | 3.00 | 2.50 | 2.50 | 3.00 | 3.00 |
|--|--|--|------|------|------|------|------|------|

Occupational Therapy Practice Board

Agency Financing by Fund

(Dollars in Thousands)

| | Actual FY16 | Actual FY17 | Actual FY18 | Estimate FY19 | Forecast Base | | Governor's Recommendation | |
|-------------------------------------|----------------|----------------|----------------|------------------|---------------|------------|------------------------------|------------|
| | | | | | FY20 | FY21 | FY20 | FY21 |
| 1201 - Health Related Boards | | | | | | | | |
| Balance Forward In | | | | 146 | | | | |
| Direct Appropriation | | | 374 | 329 | 330 | 330 | 450 | 456 |
| Open Appropriation | | | | | 10 | 10 | 10 | 10 |
| Balance Forward Out | | | 146 | | | | | |
| Expenditures | | | 228 | 475 | 340 | 340 | 460 | 466 |
| Biennial Change in Expenditures | | | | 703 | | (23) | | 223 |
| Biennial % Change in Expenditures | | | | | | (3) | | 32 |
| Governor's Change from Base | | | | | | | | 246 |
| Governor's % Change from Base | | | | | | | | 36 |
| Full-Time Equivalents | | | 0.48 | 3.00 | 2.50 | 2.50 | 3.00 | 3.00 |

2000 - Restrict Misc Special Revenue

| | | | | | | | | |
|-----------------------------------|--|--|----------|-----------|-----------|-----------|-----------|-----------|
| Balance Forward In | | | | 2 | | | | |
| Receipts | | | 7 | 12 | 12 | 12 | 12 | 12 |
| Balance Forward Out | | | 2 | | | | | |
| Expenditures | | | 5 | 14 | 12 | 12 | 12 | 12 |
| Biennial Change in Expenditures | | | | 19 | | 5 | | 5 |
| Biennial % Change in Expenditures | | | | | | 27 | | 27 |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | 0 |

Occupational Therapy Practice Board

Agency Change Summary

(Dollars in Thousands)

| | FY19 | FY20 | FY21 | Biennium 2020-21 |
|---|------------|------------|------------|---------------------|
| Direct | | | | |
| Fund: 1201 - Health Related Boards | | | | |
| FY2019 Appropriations | 329 | 329 | 329 | 658 |
| Base Adjustments | | | | |
| Pension Allocation | | 1 | 1 | 2 |
| Forecast Base | 329 | 330 | 330 | 660 |
| Change Items | | | | |
| Operating Adjustment | | 120 | 126 | 246 |
| Total Governor's Recommendations | 329 | 450 | 456 | 906 |
| Open | | | | |
| Fund: 1201 - Health Related Boards | | | | |
| Base Adjustments | | | | |
| Forecast Open Appropriation Adjustment | | 10 | 10 | 20 |
| Forecast Base | | 10 | 10 | 20 |
| Total Governor's Recommendations | | 10 | 10 | 20 |
| Dedicated | | | | |
| Fund: 2000 - Restrict Misc Special Revenue | | | | |
| Planned Spending | 14 | 12 | 12 | 24 |
| Forecast Base | 14 | 12 | 12 | 24 |
| Total Governor's Recommendations | 14 | 12 | 12 | 24 |
| Revenue Change Summary | | | | |
| Dedicated | | | | |
| Fund: 2000 - Restrict Misc Special Revenue | | | | |
| Forecast Revenues | 12 | 12 | 12 | 24 |
| Total Governor's Recommendations | 12 | 12 | 12 | 24 |
| Non-Dedicated | | | | |
| Fund: 1201 - Health Related Boards | | | | |
| Forecast Revenues | 380 | 352 | 391 | 743 |
| Change Items | | | | |
| Fee Adjustment | | 103 | 114 | 217 |
| Total Governor's Recommendations | 380 | 455 | 505 | 960 |

Occupational Therapy Practice, Board of

FY 2020-21 Biennial Budget Change Item

Change Item Title: Operating Adjustment

| Fiscal Impact (\$000s) | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|------------|------------|------------|------------|
| General Fund | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 120 | 126 | 126 | 126 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 120 | 126 | 126 | 126 |
| FTEs | .50 | .50 | .50 | .50 |

Recommendation:

The Governor recommends additional funding of \$246,000 in the FY 2020-2021 biennium to maintain the current level of service delivery at the Board of Occupational Therapy Practice and continue the work of Board establishment.

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

The Board was created on January 1, 2018 to assume Occupational Therapist (OT) and Occupational Therapy Assistant (OTA) licensing and regulatory responsibility from the Department of Health. The Board is entirely fee supported and receives no General Funds to provide all services. Fees must be collected to cover all direct and indirect expenditures and are deposited as non-dedicated revenue into the State Government Special Revenue Fund (SGSRF). The Minnesota Legislature makes appropriations from the fund to pay for expenses incurred by the Board.

Based upon historical Department of Health data, the number of licensees managed by the board is steadily increasing. As such, operating costs have increased. As of October 1, 2018 there are 4,000 actively licensed occupational therapists and 1,260 occupational therapy assistants in Minnesota.

| | OT New Licenses | OT Renewals | OTA New Licenses | OTA Renewals |
|---------------|-----------------|----------------|------------------|---------------|
| 2013 and 2014 | 420 issued | 3039 completed | 190 issued | 886 completed |
| 2016 and 2017 | 485 issued | 3494 completed | 229 issued | 967 completed |

Proposal:

The Governor recommends increasing the Board’s operating budget to maintain the delivery of current services. For the Board of Occupational Therapy, this funding will cover known employee compensation growth, day-to-day operational needs, rent, centralized IT costs, and licensing database system maintenance. This proposal requests an increase in the spending authority of the Board to ensure it will have sufficient authority to carry out its mission of public protection. IT cost growth drivers may include dedicated MN.IT staff compensation-related increases, increased volume usage of enterprise IT services, increased software licensing costs, and/or application support and maintenance cost increases.

| Small Agency Increase: | FY2020 | FY2021 | FY2022 | FY2023 |
|--|------------------|------------------|------------------|------------------|
| Salary Increases (current staff increases) | \$54,000 | \$60,000 | \$60,000 | \$60,000 |
| Board Per Diems | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Rent | \$18,000 | \$18,000 | \$18,000 | \$18,000 |
| Printing | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Professional Technical Services | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Instate Travel | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Out-State Travel | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Employee Development | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Agency Provided Prof/Technical Services | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Centralized MN.IT Costs | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Supplies | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Other Operations | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Equipment Non-Capital | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Total | \$120,000 | \$126,000 | \$126,000 | \$126,000 |

Equity and Inclusion:

The Board does not discriminate on the basis of race, ethnicity, gender, sexual orientation, or disability. The positive impact of this change will be to continue to provide services for all people of the State of Minnesota without discrimination.

IT Related Proposals:

A portion of this request includes an increase for database maintenance (included in the proposal section).

| Category | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Payroll | | | | |
| Professional/Technical Contracts | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Infrastructure | | | | |
| Hardware | | | | |
| Software | | | | |
| Training | | | | |
| Enterprise Services | | | | |
| Staff costs (MNIT or agency) | | | | |
| Total | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| MNIT FTEs | | | | |
| Agency FTEs | | | | |

Results:

This proposal is intended to allow the Board to continue to provide current levels of service and information to the public. With increased spending authority, the Board will be able to continue to develop the organization and to provide efficient and timely license processing and complaint management to serve and protect the citizens of Minnesota.

Statutory Change(s):

No statutory change is required.

Occupational Therapy Practice, Board of

FY 2020-21 Biennial Budget Change Item

Change Item Title: Fee Adjustment

| Fiscal Impact (\$000s) | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|---------|---------|---------|---------|
| General Fund | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 103 | 114 | 103 | 113 |
| Net Fiscal Impact = (Expenditures – Revenues) | (103) | (114) | (103) | (113) |
| FTEs | | | | |

Recommendation:

The Governor recommends adjusting fees charged by the Board of Occupational Therapy Practice as shown in the table below.

This proposal will provide revenues to right size the Board’s operational budget and expenditure requirements to ensure effective operation. The fee increase will be used to fund appropriations to meet day-to-day operational needs and to continue the work of board establishment. License fees were last changed by the Department of Health in 2008. This proposal would give the Board authority set fees at an amount ‘not to exceed’ a specified cap, which would allow the Board to manage future biennial budgets and to potentially lower fees as revenue and expenditures stabilize.

Rationale/Background:

The Minnesota Board of Occupational Therapy Practice was created January 1, 2018 transferring Occupational Therapists (OT) and Occupational Therapy Assistants (OTA) licensing and regulatory responsibility from the Minnesota Department of Health.

As of October 1, 2018 there are 4,000 actively licensed occupational therapists and 1,260 occupational therapy assistants in Minnesota.

The Board is entirely fee supported and receives no General Fund funds to provide all services. Fees must be collected to cover all direct and indirect expenditures, deposited as non-dedicated revenue into the State Government Special Revenue Fund (SGSRF). The Board is granted authority by the Minnesota Legislature to use these fees to pay for all expenses incurred by the Board. Currently, fees collected are not sufficient to fund anticipated or unanticipated expenses.

Proposal:

The Board requires a fee increase in order to sufficiently collect fees to support the transition from the Department of Health, the further establishment of the newly formed Board, and its ongoing operations.

| Fee | Current Fee Rate | Proposed Fee Rate | Difference in Fee Rate | # Paying FY 2020 | Additional Revenue Estimate | # Paying FY 2021 | Additional Revenue Estimate |
|-------------------------------------|------------------|-------------------|------------------------|------------------|-----------------------------|------------------|-----------------------------|
| H7Y OT Course Approval After Lapse | \$96 | \$100 | \$4 | 0 | \$0 | 0 | \$0 |
| H7Y OT Duplicate License Fee | \$25 | \$30 | \$5 | 16 | \$80 | 16 | \$80 |
| H7Y OT Initial License Fee | \$145 | \$185 | \$40 | 280 | \$11,200 | 270 | \$10,800 |
| H7Y OT Penalty Fee | \$various | \$various | \$0 | Various | \$0 | Various | \$0 |
| H7Y OT Limited License Fee | \$96 | \$100 | \$4 | 0 | \$0 | 0 | \$ |
| H7Y OT Renewal Fee | \$145 | \$185 | \$40 | 1,650 | \$66,000 | 1,900 | \$76,000 |
| H7Y OT Institution Verification | \$10 | \$10 | \$0 | 0 | \$0 | 0 | \$0 |
| H7Y Temporary License Fee OT or OTA | \$50 | \$75 | \$25 | 145 | \$3,625 | 150 | \$3,750 |
| H7Y OT Assist Renewal Fee | \$80 | \$105 | \$25 | 450 | \$11,250 | 500 | \$12,500 |
| H7Y OT States Verification Fee | \$25 | \$25 | \$0 | 200 | \$0 | 200 | \$0 |
| H7Y OT Late Fee | \$25 | \$50 | \$25 | 310 | \$7,750 | 304 | \$7,600 |
| H7Y OT Assist Initial License Fee | \$80 | \$105 | \$25 | 103 | \$2,575 | 100 | \$2,500 |
| H7Y Miscellaneous Fee | New Fee | \$various | \$various | various | \$1,000 | various | \$1,000 |
| Total New Revenue | | | | | \$103,480 | | \$114,230 |

Equity and Inclusion:

The Board does not discriminate on the basis of race, ethnicity, gender, sexual orientation, or disability. The positive impact of this change will be to continue to provide services for all people of the State of Minnesota without discrimination.

IT Related Proposals:

Not an IT related proposal.

Results:

The results of this proposal would be indicated through the successful establishment and fiscal solvency of the newly formed Board. The current fee structure does not collect sufficient fees to support the actual expenditure required for board operations. Performance data will be documented on an annual basis and through routine reporting.

Statutory Change(s):

148.6445.