

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0145
Prime Sponsor(s): Sen. Aguilar
 Rep. Singer

Date: March 4, 2013
Bill Status: Senate Health and Human Services
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TITLE: CONCERNING THE CONTINUATION OF THE REGULATION OF THE PRACTICE OF OCCUPATIONAL THERAPY, AND, IN CONNECTION THEREWITH, REQUIRING OCCUPATIONAL THERAPISTS AND OCCUPATIONAL THERAPY ASSISTANTS TO OBTAIN A LICENSE FROM THE DEPARTMENT OF REGULATORY AGENCIES, MODIFYING PROVISIONS GOVERNING THE SUPERVISION OF OCCUPATIONAL THERAPY ASSISTANTS, ADDING GROUNDS FOR DISCIPLINING LICENSEES, REQUIRING LICENSEES TO MAINTAIN PROFESSIONAL COMPETENCY, AND AUTHORIZING LICENSEES TO ENTER INTO AGREEMENTS TO LIMIT PRACTICE WHEN SUFFERING FROM A PHYSICAL OR MENTAL CONDITION.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Revenue		
Cash Funds		
Professions and Occupations Cash Fund - Base Funding		\$97,530
Professions and Occupations Cash Fund - New Funding	\$41,555	
State Expenditures		
Cash Funds		
Professions and Occupations Cash Fund - Base Expenditures		\$73,028
Professions and Occupations Cash Fund - New Expenditures	\$37,737	\$20,241
FTE Position Change	0.2 FTE	0.6 FTE
Effective Date: June 30, 2013.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill continues the regulation of occupational therapists (OT) in the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA) until September 1, 2018. Under current law, both OTs and OT assistants are required to be registered with the DORA. This bill changes that requirement to licensure. Among its other provisions, the bill:

- extends title protection to licensed OTs and licensed OT assistants;
- clarifies the supervisory role and responsibilities of OTs and OT assistants;
- expands the grounds for bringing disciplinary action against an OT by the DORA;

- subjects OT assistants to the same penalties for unauthorized practice as apply to OTs;
- specifies educational background, supervised fieldwork experience, competency examination requirements, patient records management, and continuing professional competency of OTs and OT assistants; and
- creates a peer health assistance program to be administered by an outside entity selected by the DORA, and requires that each license applicant pay a program fee.

Fiscal Impact of Programs Set to Expire

This bill continues a program in the Division of Professions and Occupations (division) that is set to repeal, effective July 1, 2013. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2014-15, one year after the repeal date. There is no need for an appropriation of the division's base funding in FY 2013-14, since the program's authorization has not yet expired, and ongoing funding for the program is included in DORA's base budget request for FY 2013-14.

The state revenue and state expenditures impact for FY 2014-15 reflect the program's anticipated fee revenue and base budget request beginning that year. DORA's request for the regulation of OTs in FY 2013-14 is \$41,500 and 0.6 FTE which carries forward to FY 2014-15 and beyond. The anticipated new revenue in FY 2013-14 is \$41,500 and anticipated base revenue in FY 2014-15 is \$97,530 for two years of base expenditures. Because OT and OT assistant licenses are renewed every two years, the majority of funding for continuing the program is collected every other year.

State Revenue

For FY 2013-14, fee revenue to the Division of Professions and Occupations Cash Fund will increase by \$41,500. For FY 2014-15, new fee revenue is \$97,530.

Fee impact on occupational therapists and assistants. Section 2-2-322, C.R.S., requires legislative service agency review of measures that create or increase any fee collected by a state agency. The fee amounts displayed in Table 1 are estimates only; actual fee calculations are set administratively by the DORA based on the cash fund balance, estimated program costs, and the estimated number of licenses. This fiscal analysis is based on biennial licensure; however, the actual renewal schedule is left to the discretion of the division. Table 1 displays the estimated fee impact of this bill.

Table 1. Fee Impact on Occupational Therapists and Assistants			
Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2013-14 Initial Licensure OT	\$166	250	\$41,500
FY 2014-15 Initial Licensure OT	\$34	250	8,500
FY 2014-15 Initial Licensure OT Assistants	\$37	550	142,200
FY 2014-15 Renewal Licensure OT	\$34	2,020	68,680
FY 2013-14			\$41,500
FY 2014-15			\$97,530
2-YEAR TOTAL			\$139,030

State Expenditures

In FY 2013-14, this bill will result in total new costs of \$37,737 and 0.2 FTE in the DORA. In FY 2014-15, total new costs are \$20,241 and 0.2 FTE; base expenditure in FY 2014-15 is anticipated to equal \$70,038 and 0.4 FTE, for a total combined cost (new + base expenses) of \$93,269 and 0.6 FTE. Major new cost components as a result of this bill are discussed below and summarized in Table 2.

Table 2. Total New Expenditures Under SB 13-180		
Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$8,174	\$8,174
FTE	0.2	0.2
Printing and Imaging	789	114
Legal Services	12,746	6,953
Computer Programing	7,104	-
Temporary and Contract Personnel	8,924	5,000
TOTAL	\$37,737	\$20,241

Personnel and administration. The DORA will require new staff plus temporary contract personnel beginning in FY 2013-14. Staff are needed to assist the board to research and adopt rules, implement a continued competency program and a peer health assistance program, manage licensure and renewal data for OT assistants, and provide outreach and technical assistance to newly regulated professionals in the community. In addition to new staff and related operating costs, the DORA will have expenses for outreach and printing.

Legal services. The Department of Law will provide 165 additional hours of legal services in FY 2013-14 and 90 additional hours in FY 2014-15 at a blended rate of \$77.25 per hour. Legal services are provided for general counsel to the board for rule making, including rules for continued competency requirements, and to assist with enforcement and disciplinary actions.

Computer programming. Computer programming services from the Office of Information Technology (OIT) are needed to create and administer a new license type for OT assistants, and to create systems for tracking continued competency requirements. The DORA will purchase 96 hours of programming in FY 2013-14 at \$74 per hour.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 3.

Table 3. Expenditures Not Included Under SB13-180*		
Cost Components	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$1,339	\$1,339
Supplemental Employee Retirement Payments	502	568
TOTAL	\$1,841	\$1,907

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

For FY 2013-14, this bill requires a cash fund appropriation of \$37,737 and 0.2 FTE from the Professions and Occupations Cash Fund to the DORA. Of this amount, the Department of Law requires \$12,746 in reappropriated funds and the Office of Information Technology requires \$7,104 in reappropriated funds.

Departments Contacted

Judicial Law Regulatory Agencies