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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>House Judiciary Committee</u>	<b>LAST UPDATED</b> <u>2/18/2025</u>	<b>ORIGINAL DATE</b> <u>1/23/2025</u>
<b>SHORT TITLE</b> <u>Occupational Therapy Licensure Compact</u>	<b>BILL NUMBER</b> <u>CS/House Bill 81/HJC</u>	<b>ANALYST</b> <u>Hanika-Ortiz</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

Agency/Program	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	Board of Examiners for Occupational Therapy Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

## SUMMARY

### Synopsis of HJC Substitute for House Bill 81

The House Judiciary Committee Substitute for House Bill 81 enters New Mexico into the Occupational Therapy Licensure Interstate Compact (OT compact) to facilitate the practice of Occupational Therapy (OT) across state lines while preserving the state’s regulatory authority. OTs work with children with developmental delays and adults with conditions that make daily activities more difficult.

Sections 1 and 2 cite the act and purpose which includes increasing access to OT, enhancing the exchange of licensure and disciplinary information among states, and facilitating the use of telehealth technology to increase access to OT services.

Section 3 defines terms, among them “compact privilege”, which is authorization granted by a remote state to an OT or OT assistant to practice under that state’s laws. “Telehealth” is the use of technology to deliver OT services for assessment, intervention, and consultation purposes.

Section 4 lays out requirements for state participation in the OT Compact that include: using the Occupational Therapy Compact Commission’s data system, notifying the commission of adverse actions regarding a licensee, having procedures to obtain biometric-based background information to obtain an applicant’s criminal history record within a time frame established by the commission, using a recognized national exam for initial licensure, having a continuing education requirement for renewal, and agreeing that the OT compact will not affect a state’s ability to issue a single-state license.

Section 5 includes requirements for licensees seeking OT compact privileges that include agreeing to a background check and paying fees. This section requires an OT assistant practicing in a remote state to be supervised by an OT with an OT compact privilege in that remote state.

Section 6 explains that home state licenses, which allow for privileges in member states, may be held in only one member state at a time, and provides guidance for moving between states.

Section 7 requires active-duty military personnel to designate a home state where the individual holds a current license in good standing and provides guidance for changing one's home state.

Section 8 sets forth criteria and authority with which home and remote states may impose adverse actions against a licensee.

Section 9 recognizes the multi-state Occupational Therapy Compact Commission, allows one delegate from each state to serve on the commission, and outlines duties of the commission.

Section 10 addresses qualified immunity, defense and indemnification of commission members, officers, employees, and representatives.

The last sections address requirements for a data system that uses a unique identifier when submitting data to the OT compact (Section 11), rulemaking requirements of the commission (Section 12), oversight, dispute resolution and enforcement related to disagreements among member states (Section 13), procedures for withdrawing from the OT compact (Section 14), construction and severability (Section 15), and binding effect of the OT compact (Section 16).

Finally, Section 17 amends powers and duties for the OT board (Chapter 61 Article 12A) that include proposing procedures, forms, and the manner for submitting fingerprints for criminal history reports for the purpose of evaluating qualification for licensure; and requires an applicant, as a condition of such licensure, to submit fingerprints to the Department of Public Safety to obtain their criminal history.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## **FISCAL IMPLICATIONS**

The committee substitute should increase the number of OTs licensed to practice in New Mexico. States may charge a fee for allowing a licensee with OT compact privileges to practice in their state. Costs that the Board of Examiners for Occupational Therapy may incur include fee assessments that may be determined later by the commission, travel expenses for commission delegates from New Mexico to attend commission meetings, and costs to interface with the commission's data system. Any costs incurred by the Board of Examiners for Occupational Therapy would likely be minimal.

The University of New Mexico notes the provision for telehealth services with providers from outside New Mexico may decrease use of in-person providers in the state, potentially decreasing revenue for state facilities and creating fewer employment opportunities for its graduates.

## **SIGNIFICANT ISSUES**

The OT compact allows licensed OTs and OT assistants to practice in any state that participates in the OT compact. This means that these practitioners would no longer need to get a license in each state where they want to obtain practicing privileges.

The Veterans' Services Department believes this bill will positively impact veterans by providing means to have more licensed professionals to provide specialized services to veterans.

## **ADMINISTRATIVE IMPLICATIONS**

The Board of Examiners for Occupational Therapy in New Mexico will be required to adopt rules in accordance with the requirements, procedures, and bylaws of the OT compact.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 392 from 2023 is nearly identical to House Bill 81, with only minor differences.

## **OTHER SUBSTANTIVE ISSUES**

There are thirty-one states in the OT compact, including neighboring Arizona and Colorado.

AHO/hj/SL2/rl/SL2