

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

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SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/21/2026 **Check all that apply:**
Bill Number: HB 13 Original Correction
 Amendment Substitute

Sponsor: <u>Elizabeth Thomson</u> Short Title: <u>Occupational Therapy Licensure Compact</u>	Agency Name and Code Number:	<u>Regulation & Licensing Dept. (RLD), 420</u>
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	Unknown*	Unknown*	Recurring	Board of Examiners for Occupational Therapy Fund

(Parenthesis () indicate revenue decreases)

* See Note 1 in Fiscal Implications for a discussion of the possible impact on revenue.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Unknown** ⁺	70.0	0.0	70.0	Nonrecurring	Board of Examiners for Occupational Therapy Fund
Total	Unknown**	8.0 + **Unknown	68.0 + **Unknown	76.0 + **Unknown	Recurring	Board of Examiners for Occupational Therapy Fund

(Parenthesis () Indicate Expenditure Decreases)

**There could be an impact on operating budget due to an “annual assessment” and fees for “adverse actions in other states” that may be imposed on states as members of the OT Compact. See Note 3 and Note 5 in the “Fiscal Implications” section below.

Duplicates/Conflicts with/Companion to/Relates to:

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 13 (HB 13)

HB 13 enacts the Occupational Therapy Licensure Compact (OT Compact) in New Mexico to allow licensed occupational therapists and occupational therapy assistants licensed in member states to practice across state lines through a compact privilege without requiring a license in each state. The OT Compact is intended to facilitate the interstate practice of occupational therapy and support telehealth services, improving access to services while maintaining state authority to regulate practice and protect public health and safety. The OT Compact clarifies that occupational therapy practice occurs in the state where the patient is located for telehealth purposes. The OT Compact also seeks to enhance information sharing among states, encourage regulatory cooperation, and support military families who relocate frequently.

The OT Compact establishes uniform participation requirements for member states, including the following:

1. License occupational therapists and assistants;
2. Participate in Compact Connect;
3. Have mechanisms in place for receiving and investigating complaints and taking disciplinary action against a licensee if necessary;
4. Notify the OT Compact Commission (OTCC) of any adverse action against a licensee;
5. Require state and federal criminal history background checks using fingerprints for all applicants;
6. Comply with the rules of the OTCC;
7. Utilize national examinations for licensure; and

8. Have continuing competence requirements for license renewal.

States may charge fees for granting compact privileges and continue to issue single-state licenses that do not confer compact privileges.

The OT Compact sets detailed eligibility requirements for licensees to obtain and maintain a compact privilege, including the following:

1. Hold an unencumbered home-state license;
2. Have a valid Social Security number or national practitioner identification number;
3. Have no encumbrances on any state license;
4. Meet supervision requirements, if applicable;
5. Have paid all fines and completed all required action from any adverse action, and have no adverse action for the last two (2) years;
6. Notify the commission that they are seeking a compact privilege in a remote state;
7. Pay any fees, including the state fee;
8. Complete a criminal background check;
9. Meet any jurisprudence requirements of remote states; and
10. Report any adverse action by a non-member state.

The OT Compact allows licensees who move between member states to obtain a new home-state license through the compact process, while applying standard state licensure requirements when moving between member and non-member states. Active-duty military personnel and their spouses are allowed to designate and retain a home state during periods of service.

The OT Compact provides comprehensive procedures for investigations and adverse actions, granting home states exclusive authority over their licenses and remote states authority over compact privileges within their borders only. It allows for joint investigations, information sharing, cost recovery, and participation in alternative programs, and requires prompt reporting of disciplinary actions through CompactConnect.

The OT Compact creates the Occupational Therapy Compact Commission (OTCC) to implement and enforce the terms of the compact. The OTCC is composed of one delegate from each member state. It is empowered to adopt bylaws and rules with the force of law, manage finances, administer the compact, oversee compliance, coordinate investigations, and oversee the operation of CompactConnect. The OTCC also appoints an executive committee, requires open public meetings with limited closed-session exceptions, provides for audits and funding mechanisms, and grants qualified immunity, defense, and indemnification to OTCC officials and staff acting within their duties. The OTCC promulgates rules, follows rulemaking procedures established by the compact, including public notice, comment, and open rule hearings.

The OT Compact also provides for dispute resolution, enforcement, default, suspension, and termination of member states, including judicial remedies and cost recovery. It became effective when it was enacted in ten (10) states. A member state can withdraw from the OT Compact with six (6) months' notice. Amendments to the OT Compact must be adopted by all member states to be effective.

Finally, HB 13 amends New Mexico's Occupational Therapy Act (Act) to authorize state and federal criminal history background checks for applicants, aligning state law with the OT

Compact's requirements.

The effective date of HB 13 would be May 20, 2026.

FISCAL IMPLICATIONS

NOTE 1: Licensees who wish to practice under a compact privilege must pay a seventy-five dollar (\$75) administrative fee plus state fees to the remote state where they wish to obtain a compact privilege. The administration fee is sent to the OTCC. Member states may set the state fee amount. Currently, the fee for an occupational therapist license in New Mexico is one hundred ten dollars (\$110) for an initial application, and eighty-five dollars (\$85) for annual license renewal. The fee for occupational therapist assistants is one hundred dollars (\$100) for an initial application, and sixty dollars (\$60) for annual license renewal.

It is not possible at this time to predict if the OT Compact will bring in more licensees to New Mexico and thereby increase fee revenue, or if the cost of obtaining compact privileges will be significantly less than the cost of obtaining full licensure in New Mexico, thus encouraging some licensees to forego obtaining full licensure in New Mexico and reducing New Mexico's license fee revenue. An amendment to Section 61-12A-18 of the Act will be necessary for the Board of Examiners for Occupational Therapy (Board) to promulgate rules that allow the Board to charge for compact privileges. (See Amendments below.)

NOTE 2:

As the compact is not yet operational, it is unclear what information technology (IT) requirements will be required of participating states. The OT Compact currently is in the process of building out its data system infrastructure, and it is anticipated that the system will connect with participating states through an application programming interface (API). Such a system would require New Mexico to incur some costs to integrate the OT Compact's API into New Mexico's system at the Regulation and Licensing Department (RLD) and to pay for the ongoing costs of the MuleSoft software necessary to translate the data. The RLD has some experience in integrating APIs into its current system as it has already done so for other licensed professionals. As a result, there is an idea of what costs it can reasonably expect to incur in integrating API systems into the RLD's NM Plus System (a Salesforce-based electronic licensing application system). While these costs can fluctuate based on various factors, the RLD anticipates a one (1) time cost for implementation of approximately seventy thousand dollars (\$70,000) for two (2) APIs.

In addition, when utilizing the API process, NM Plus requires the use of MuleSoft (a Salesforce-based software) to process and translate the data that is received from an API. Multiple factors go into the costs involved with utilizing the MuleSoft software, but RLD estimates a recurring cost of utilizing the MuleSoft program to be approximately sixty thousand dollars (\$60,000) for two (2) API's.

An administrative rulemaking process, including a public hearing and all required publication of notices and proposed rules, would be required to update and amend current administrative rules issued pursuant to the Act if HB 13 is enacted. The RLD believes it can absorb the costs associated with the rulemaking processes for this bill within existing resources.

NOTE 3: The Board "may" be required to pay an annual assessment based on a formula to be determined by the OTCC. Currently, the OTCC is not assessing annual fees to be paid by the

participating state boards, but this could change should the administrative fees collected from practitioners fail to meet the financial obligations of the OTCC. The RLD is unable to determine at this time what the dollar amount of that annual assessment would be, or if it will actually be imposed in any given fiscal year.

NOTE 4: If HB 13 is enacted, the Board may incur out-of-state travel expenses for its commission delegate member to attend annual meetings. Per the Compact By-Laws, travel and expense reimbursements are subject to pre-approval and the availability of budgeted funds for the OTCC. It is unclear whether the travel costs will be covered by the OTCC, the attending delegates, or the Board itself. However, there is a possibility that expenses for the delegate's attendance will need to be covered. If the Board is responsible for these costs, the potential expenses—such as airfare, hotel, meals, ride share/taxi, etc.—are unknown at this time but are estimated to cost two thousand dollars (\$2,000) per day, with an estimated four (4) days of travel and attendance each year. Therefore, the RLD anticipates a resulting expense of eight thousand dollars (\$8,000) per year in FY27 and future years.

NOTE 5: With respect to Section 8 of HB 13, "Adverse Actions," the issuing state would incur expenses related to taking adverse action against a practitioner's compact privilege within a member state. The issuing state is responsible for paying any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located. Potential expenses that may be incurred by the RLD on behalf of the Board under this provision cannot be reasonably estimated at this time.

SIGNIFICANT ISSUES

RLD contacted the Board, which is administratively attached, to seek input on HB 13. We did not hear from their Board chair in time to include any new comments. RLD is including the comments provided by the Board chair for similar legislation (2025's House Bill 81) last year:

- “1) I want to ensure that NM Board of Examiners for OT retains complete authority over NM licenses. I am concerned that the broad language regarding the commission will not support autonomy of the NM Board
- 2) I do not support any requirement of NBCOT certification for NM licensure renewal. Currently, an initial certification is required for initial licensure but renewal in NM is not dependent on NBCOT certification (only CEU and adhering to the rules).
- 3) I support language to allow licensure to continue AS IS with practitioners having the OPTION to join the compact.
- 4) I would request that licensure compact rules be added as a completely separate section (in addition to existing rules) to make clear that joining the compact is an OPTION not a requirement. I understand that some existing rules would need to be adjusted, but I view this compact as an additional option for practitioners who choose to use it.
- 5) Licensure requirements for the compact are fairly similar to NM requirements. The big difference is that NBCOT current certification is required for any practitioner joining the compact. I do not support changing current rules to require current NBCOT certification for NM licensure renewal for practitioners now wishing to join the compact.”

The Board understands that the OT Compact would potentially add to the number of licensed Occupational Therapists licensees in the state, and public health and safety, but seeks the impact on a licensee's ability to practice in New Mexico to be positive and not to create additional barriers to licensing.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

Enactment of this bill would require the Board to initiate rulemaking to adopt rules in accordance with the requirements, procedures and bylaws of the OT Compact. Administrative rulemaking in New Mexico must follow the requirements of the State Rules Act, which can be anticipated to take a minimum of one hundred and twenty (120) days from the time an authority begins to develop rule language, provide public notice of proposed rules, allow for public review and comment, conduct a public rule hearing, comply with the requirements for final adoption of rules, and complete the required publication of the rules before such rules take legal effect. Among other rules that will have to be amended or created to meet the requirements of the OT Compact, the Board must adopt rules for applicants to submit to federal background checks based on fingerprints.

Federal Background Checks and Fingerprinting will require a contract. This would be an addition to RLD's existing contract for these services for other boards.

In addition, administrative staff at the RLD providing support to the Board will require training on how to report and obtain licensing and disciplinary action information with CompactConnect system.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

To date, thirty-two (32) states have adopted the OT Compact. However, only three (3) states are currently issuing compact privileges, Minnesota, Ohio, and West Virginia. Compact privileges and this just began on January 12, 2026. The shared data system, CompactConnect, is still in development.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If New Mexico does not enact this bill, the limited numbers of licensed practitioners will continue to be a barrier to access to occupational therapy services for many people in our state.

AMENDMENTS

An amendment is needed to allow the Board to charge state-specific fees for a compact privilege endorsement for existing licensed occupational therapists and occupational therapist assistants, a Compact Privilege Occupational Therapist, and a Compact Privilege Occupational Therapist Assistant in Section 61-12A-18 of the Act.

To ensure necessary changes and additions to administrative rules are in place by the time the OT Compact is implemented, the RLD's NM-Plus licensing system is updated, and the API bridge between the OT Compacts data system and the NM Plus system is operational, the RLD requests that the effective date for HB 13 be changed to January 1, 2027.