

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2034/1	Introduction Number AB-0090
------------------------------------	-------------------------------------------

Description
 third-party processing of applications for occupational therapists and occupational therapy assistants and granting rulemaking authority

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
- Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected**
- Towns Village Cities
 - Counties Others 0
 - School Districts WTCS Districts

Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	Affected Ch. 20 Appropriations s.20.165(1)(hg)
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------

Agency/Prepared By DSPS/ Megan Denenea (608) 287-3749	Authorized Signature Jennifer Garrett (608) 266-6795	Date 9/13/2023
-----------------------------------------------------------------	----------------------------------------------------------------	--------------------------

Fiscal Estimate Narratives

DSPS 9/13/2023

LRB Number	23-2034/1	Introduction Number	AB-0090	Estimate Type	Original
Description third-party processing of applications for occupational therapists and occupational therapy assistants and granting rulemaking authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Safety and Professional Services to contract with a third-party entity to receive applications for licensure as an occupational therapist or occupational therapy assistant, to collect and retain application fees, to determine whether an applicant has an arrest or conviction record, and to determine whether the applicant has met all other requirements for licensure. If the third-party entity determines that an applicant meets all of the requirements for licensure, the bill requires the third-party entity to inform the Occupational Therapy Affiliated Credentialing Board of its determination within 10 days from the day that the determination is made. The bill then requires the Occupational Therapy Affiliated Credentialing Board to promptly issue a license as an occupational therapist or an occupational therapy assistant to any applicant that the third-party entity determined was eligible under the bill. The bill provides a similar third-party process for applicants for licensure for a limited period to practice occupational therapy in association with an occupational therapist or for licensure for a limited period to assist in the practice of occupational therapy under the supervision of an occupational therapist.

This bill allows any third-party entity contracted under the bill to set and periodically update the required fee for applications for licensure described under the bill. Before entering into a contract with a third-party entity, the bill requires that any proposed contract be submitted to the Joint Committee on Finance for approval. Once a contract is approved, the bill requires the third-party entity to annually submit a report to the legislature detailing the performance of the third-party entity. The bill permits DSPS or any person delegated by the legislature to inspect and examine all records relating to the operations of the third-party entity.

Under the bill the third-party entity would only have to determine eligibility and issue licenses for which they would collect a fee. DSPS would continue to have to undertake all other services required by the Occupational Therapy Affiliated Credentialing Board such as complaint review, investigations, disciplinary action, rule-making related to the professions and the bidding and contract administration for the third-party presumably without any revenue to support these activities unless some fees were remitted back to the department. The Department of Safety and Professional Services estimates a loss of revenue of about \$371,200 in a two-year period if all revenue for credentialing went to a third-party. Additional, significant negative impact to revenue may occur from the department's legal and credentialing processes should the third-party vendor not be made to remit any fees back to the department to compensate for these other costs.

DSPS would be required to contract with and monitor the third-party entity, as well as provide review and disciplinary action for the professions as directed by the board but would have no means to collect revenue to support these services.

DSPS estimates a total of \$37,300 in one-time costs and \$33,600 in annual costs for staffing and an indeterminate IT impact to implement the rule. The estimated one-time staffing need for .2 limited term employee (LTE) is for training, reference document creation and updates, legal review and rule promulgation, and website updates. The estimated annual staffing need for .1 full time employee (FTE) is for contract administration and maintenance and routine tasks such as maintenance, updates, and reporting. The one-time and annual estimated costs cannot be absorbed in the currently appropriated agency budget.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2034/1	Introduction Number AB-0090	
Description third-party processing of applications for occupational therapists and occupational therapy assistants and granting rulemaking authority		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$37,300 in One-Time Costs for staffing A conservative figure, \$371,200, was estimated for department revenue loss in a two-year period should this bill go into effect.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$37,300	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$37,300	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS	37,300	
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		-371,200
SEG/SEG-S		
TOTAL State Revenues	\$	\$-371,200
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$37,300	\$
NET CHANGE IN REVENUE	\$-371,200	\$
Agency/Prepared By Authorized Signature Date		
DSPS/ Megan Denenea (608) 287-3749	Jennifer Garrett (608) 266-6795	9/13/2023