

FY 2012-2013 Budget Testimony

Before the Senate Finance Committee



Presented by
Jeffrey M. Rosa, Executive Director
May 4, 2011

Ohio Occupational Therapy, Physical Therapy, and Athletic Trainers Board
77 South High Street, 16th Floor
Columbus, Ohio 43215-6108
614-466-3774
board@otptat.ohio.gov
<http://otptat.ohio.gov>

Testimony of Jeffrey M. Rosa
Executive Director
Ohio Occupational Therapy, Physical Therapy, and Athletic Trainers Board
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Chairman Widener and members of the Senate Finance Committee, my name is Jeffrey M. Rosa, and I am the Executive Director of the Ohio Occupational Therapy, Physical Therapy, and Athletic Trainers Board (OTPTAT). I am pleased to be here this afternoon to present testimony on the Board's fiscal year 2012 and 2013 Executive Budget recommendations of \$874,087 in fiscal year 2012 and \$866,169 in fiscal year 2013 and to answer any questions the committee may have about the continuing operations of the OTPTAT Board and the Board's funding requirements for the upcoming biennium.

Introduction and Overview

The mission of the OTPTAT Board is to actively promote and protect the health of the citizens of Ohio through the effective regulation of the professions of occupational therapy, physical therapy, and athletic training. In total, the Board currently licenses about 23,000 professionals and aims to provide timely service in a professional and cost-efficient manner that is representative of quality state government.

Unlike the majority of other regulatory boards in Ohio, the OTPTAT Board is essentially three (3) independent regulatory boards that meet collectively solely to govern administrative, fiscal, and personnel matters of the state agency. The Ohio Revised Code, however, states that only the members of the specific section of the board regulate that profession. As a result, the staff of the Board provides assistance to its twenty (20) members for three independent section meetings, three separate investigative committees, and three separate renewal periods.

In addition to reviewing initial licensure applications and issuing new licenses, Board staff process on average 11,000 renewal applications each fiscal year. As the total number of individuals licensed by the Board increases, the number of renewals processed will also increase to an average of 12,000 per fiscal year in the upcoming biennium.

The Board also employs 3 investigative staff who conducted 121 investigations in FY 2010 of alleged violations of the three practice acts. As has occurred with many other healthcare regulatory boards, the OTPTAT Board estimates that the number of investigations will increase in the upcoming biennium. The investigative staff also conducts the audit for compliance with the continuing education requirements. In FY 2010, about 20% of those renewing were randomly selected for the audit. Of those 2,500 audited licensees, 25 received non-disciplinary warning letters (1.0%) and 32 were formally disciplined by the Board (1.3%). The remaining 97.7% were found to be in compliance with the continuing education requirements.

In total, the Board meets its core job functions of licensing, enforcing, and regulating the three professions with a dedicated staff of eight (8) employees. Each of these individuals is able to provide effective and efficient services to the Board's licensees and members of the general public due to their extensive knowledge of the issues and requirements that are specific to licensure applications and the practice acts for the professions of occupational therapy, physical therapy, and athletic training. As a sign of the efficient work of this Board, total staffing has remained constant as the workload of the staff has increased in recent years.

Accomplishments

The Executive Budget recommendations will allow the Board to continue to provide current service levels in fiscal years 2012 and 2013.

1. In Fiscal Year 2010, Board staff processed over 1,700 licensure applications and issued new licenses to over 1,400 individuals. As a result of operational efficiencies, **the Board is able to issue a new license within one week of receipt of a completed application.**
2. In Fiscal Year 2010, Board staff processed over 1,100 licensure verifications to other state licensing boards. When an individual licensed in Ohio applies for a license in another state, the individual is required to have the Ohio license verified to the other state. Upon receipt of the request and the appropriate fee, **the Board processes all licensure verifications within two business days.**
3. In Fiscal Years 2009 and 2010, the Board renewed the licenses of approximately 14,000 and 9,900 individuals, respectively, and audited the continuing education activities of between 20-25 percent of those renewing. **The total number of individuals audited in Fiscal Year 2010 was approximately 2,200.**
4. In calendar year 2010, **the staff with Board input, answered almost 250 letters clarifying issues related to the three practice acts.** This figure does not include questions answered via telephone or other routine questions related to licensure procedures.
5. In April and June of 2009, and August and November of 2010, the **Board conducted free continuing education sessions regarding the role of the Board and common violations of the law investigated.** The goal of these sessions is to educate licensees to help reduce the number of practice violations. **Total attendance at these four sessions was approximately 500 licensees.** The Board's goal is to hold these sessions at least twice per year at various locations throughout the state.

Table 1. Number of Licensees as of June 30

| License | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | As of 4/26/2011 |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| OT | 3,831 | 3,772 | 3,782 | 3,990 | 4,234 | 4,424 | 4,525 | 4,728 |
| OTA | 2,170 | 2,166 | 2,235 | 2,444 | 2,656 | 2,894 | 3,043 | 3,168 |
| PT | 6,127 | 6,327 | 6,477 | 6,692 | 6,867 | 7,115 | 7,304 | 7,615 |
| PTA | 4,083 | 4,232 | 4,457 | 4,709 | 4,984 | 5,233 | 5,628 | 5,764 |
| AT | 1,592 | 1,652 | 1,640 | 1,671 | 1,698 | 1,822 | 2,012 | 1,951 |
| TOTAL | 17,803 | 18,149 | 18,591 | 19,506 | 20,439 | 21,488 | 22,512 | 23,226 |
| % Increase | N/A | 1.9% | 2.4% | 4.9% | 4.8% | 5.1% | 4.8% | 3.2% |

Revenues

The OTPTAT Board is a non-GRF funded agency. Similar to all professional licensing boards, the OTPTAT Board is required to generate sufficient revenue to meet its expenditures. Fees generated by this Board and the majority of other regulatory boards are deposited into Fund 4K90, the occupational licensing and regulatory fund. The Office of Budget and Management ensures that each board collects enough revenue to support all budgetary needs.

Table 2. Historical Revenues

| Section | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | Through Mar. 31, 2011 |
|--------------|------------------|------------------|------------------|------------------|--------------------|------------------|--------------------------|
| OT | \$271,483 | \$327,993 | \$278,030 | \$277,890 | \$415,630 | \$275,535 | \$113,765 |
| PT | \$506,182 | \$580,592 | \$527,170 | \$514,450 | \$634,600 | \$677,900 | \$508,560 |
| AT | \$74,586 | \$89,130 | \$77,415 | \$94,630 | \$56,640 | \$24,640 | \$161,905 |
| TOTAL | \$852,251 | \$997,715 | \$882,742 | \$894,562 | \$1,120,500 | \$995,431 | \$798,850 |

Based on historic trends, the Board's estimated revenue for FYs 2012 and 2013 will be approximately \$1.09 million and \$1.28 million, respectively.

Due to sufficient revenues and careful spending, most fees charged by the Board have not increased in over five years and some fees have actually been decreased to reflect the recent trends in expenditures versus revenues collected.

Board Efficiencies

Since the fourth quarter of calendar year 2010, the Board has been tracking information related to its timeliness in processing licensure applications. The first column in Table 3 reflects the length of time it takes for the Board to send an applicant an email/letter indicating that the Board received the licensure application. The second column details how long it takes an applicant to complete a licensure application. The length of time varies due to various factors. The Board does not have an ability to impact the data for this metric. The final column indicates the length of time it takes for the Board to approve a completed application.

As illustrated in Table 3, the Board is very efficient in its ability to process applications for licensure. This efficiency helps ensure that applicants for licensure in Ohio are able to be licensed and start working soon after their application is complete.

Table 3. License Review Metrics

| | | # of Days to Send Application Receipt Letter | # of Days from Application Receipt to Completed Application | # of Days to Approve Completed Application |
|--|--------|--|---|--|
| November 2010 25 applications | Median | 0 | 24 | 0 |
| | Mean | 0.80 | 43.04 | 1.00 |
| | Range | 0 to 5 days | 0 to 230 days | 0 to 6 days |
| December 2010 50 applications | Median | 1 | 26 | 0 |
| | Mean | 2.66 | 47.80 | 1.12 |
| | Range | 0 to 39 days | 0 to 392 days | 0 to 8 days |
| January 2011 139 applications | Median | 1 | 15 | 1 |
| | Mean | 1.00 | 30.92 | 1.64 |
| | Range | 0 to 9 days | 0 to 338 days | 0 to 21 days |
| February 2011 114 applications | Median | 1 | 18.5 | 0 |
| | Mean | 1.25 | 37.72 | 0.50 |
| | Range | 0 to 35 days | 0 to 1,036 days | 0 to 7 days |
| March 2011 92 applications | Median | 0 | 22 | 0 |
| | Mean | 1.24 | 34.51 | 0.59 |
| | Range | 0 to 26 days | 0 to 196 days | 0 to 4 days |

The median is the middle number in a given sequence of numbers (e.g.: 4 is the median of 1, 3, 4, 8, 9). The mean is the arithmetic average (e.g.: 4 is the mean of 1, 5, 2, 8). The range is the smallest and largest number of days recorded in each category.

To ensure transparency for our customers, this information is posted on the Board's website and is updated monthly.

Executive Budget Recommendations

Careful analysis of the Board's needs in the upcoming biennium led to the agency's initial request. The Board understands that all parts of state government must make sacrifices during the current economic situation. As a result, although lower than the amount requested by the Board, the recommended budget amount will cover projected staff payroll and maintenance expenses and allow the Board to continue to meet its legislative mandates, which include licensing qualified applicants; investigating complaints of violations of the practice act; adopting administrative rules; and maintaining ongoing continuing education. The maintenance expenses contained in the recommendations will cover all anticipated maintenance costs, including expenses for the e-Licensing system.

Continuation Funding for Office Staff and Board Member Payroll

The Executive Recommendations will support payroll costs for the Board's eight full-time employees, as well as the payroll for the 20 Board members (budgeted at 96 hours annually). Including Board members, 3.31 FTEs are allocated to the occupational therapy program, 5.57 FTE's are allocated to the physical therapy program, and 1.04 FTEs are allocated to the athletic trainers program. The executive recommendations will not permit the Board to fill its vacant clerk position. Although not a mission critical position, the vacancy in this position does impact operational efficiencies, since licensing staff are required to perform the clerk duties in addition to their core job functions.

Administrative Hearing Expenses

This request provides funding of \$15,000 per fiscal year for costs associated with administrative hearings. These costs include hearing officers and court reporters.

Continuation Funding for Maintenance Expenses

In addition to Board member salary, the Executive Budget recommendations include funding for Board member travel expenses. Under Chapter 4755. of the Revised Code, Board members are entitled to actual and necessary expenses incurred in the performance of official duties. Of the total maintenance expenses funded in this request, about \$14,000 per fiscal year will cover Board member travel expenses.

The recommended funding for maintenance expenses will allow the Board to pay for all anticipated costs of doing business. Many of these expenses cover services provided by other state agencies (e.g.: telephone, rent, computer services). Other standard maintenance expenses covered by this funding level include general office supplies (e.g.: paper, file folders, labels). The request also provides funding of just over \$10,000 per fiscal year to cover the Board's share of the e-Licensing system.

The other key maintenance component funded by this request is credit card processing fees. The Executive recommendations provide funding of \$25,000 in FY 2012 and \$30,000 in FY 2013 to pay the credit card processing fees incurred by the Board. Since the implementation of online renewals

in FY 2007, approximately 95% of individuals renewing utilized the on-line system. In addition, the Board implemented on-line initial applications for licensure in the fall of 2008. The growth in the number of online initial applications will lead to increases in credit card processing fees incurred by the Board.

The Board believes that on-line renewals and applications make it easier for licensees to do business with the state and streamline the process. For this reason, the Board has determined that it is more important to absorb the costs for credit card processing versus levying a surcharge on licensees' who wish to have the convenience of the on-line system. The budget recommendations will allow the Board to continue to absorb these costs.

Conclusion

In summary, the Executive Budget recommendations of \$874,087 in Fiscal Year 2012 and \$866,169 in Fiscal Year 2013 for the Ohio Occupational Therapy, Physical Therapy, and Athletic Trainers Board will permit the continuance of the Board's current operations, with an ongoing emphasis on operational efficiencies. New technological improvements will continue to allow the Board to provide better and more efficient services. The Board and its staff will continue to meet the challenges that lay ahead.

Thank you for your consideration of the Board's budget. I would be pleased to address any questions the committee may have or provide any information you may need.

