

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Revised

Senate Bill 146

(The President)(By Request - Department of Legislative Services)

Education, Health, and Environmental Affairs

Health and Government Operations

State Board of Physical Therapy Examiners - Sunset Extension and Program Evaluation

This bill extends the termination date for the State Board of Physical Therapy Examiners by 10 years to July 1, 2022, and requires an evaluation of the board by July 1, 2021. The bill includes a related reporting requirement.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: Special fund revenues and expenditures for the board are maintained beyond FY 2012. The Governor's proposed FY 2011 budget includes \$981,299 for board operations. The bill's reporting requirement can be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Physical therapy is a health specialty that plans, organizes, and administers a wide range of physiotherapeutic treatments designed to restore functional mobility, relieve pain, and prevent or limit permanent disability for those suffering from a disabling injury or disease.

According to the U.S. Department of Labor's Bureau of Labor Statistics' *Occupational Handbook*, approximately 173,000 physical therapists were employed nationwide in 2006, and projections show that the industry will increase 27% by 2016 – much faster than the average for all occupations. Similarly, employment for physical therapist assistants and aides is anticipated to grow 32% and 24%, respectively. This growth is due, in part, to the increasing numbers of individuals with disabilities or limited function, including the growing elderly population. Physical therapy is also evolving to include new treatments and techniques as the science behind the practice develops. However, proposed federal legislation imposing limits on Medicare reimbursement for physical therapy services may restrict short-term employment prospects.

The practice of physical therapy in Maryland is regulated by State Board of Physical Therapy Examiners. The board was created by the General Assembly in 1947 and is housed within the Department of Health and Mental Hygiene. From the outset, the purpose of the board has been to license and regulate members of the profession to ensure that the public receives safe and healthful physical therapy.

The board is one of approximately 70 entities currently subject to periodic evaluation under the Maryland Program Evaluation Act. The Act establishes a process better known as “sunset review” as most agencies evaluated are also subject to termination, including the State Board of Physical Therapy Examiners which is scheduled to terminate July 1, 2012. The sunset review process begins with a preliminary evaluation conducted by the Department of Legislative Services (DLS) on behalf of the Legislative Policy Committee (LPC). LPC decides whether to waive an agency from further (or full) evaluation. If waived, legislation to reauthorize the agency typically is enacted. Otherwise, a full evaluation usually is undertaken the following year.

A preliminary sunset evaluation conducted by DLS in 2009 found that the board appears to have a solid reputation and is clearly interested in ensuring that the public receives safe and healthful physical therapy. Therefore, DLS recommended that the board be waived from full evaluation and that legislation be enacted to extend the board's termination date by 10 years to July 1, 2022. DLS also found that the board faces an insufficient fund balance in fiscal 2010 due to unanticipated relocation and renovation expenses, increased rent, and a one-time expense to ultimately reduce paperwork and decrease expenses in the future. In addition, some chiropractors practice physical therapy in the State and there is concern that chiropractic training may no longer be aligned with the practice of physical therapy. Complaints have also increased, primarily due to the acts of one individual practicing physical therapy without a license and patients becoming more aware of the complaint process. While complaints have risen, the board's penalty authority has remained limited because the board is unable to discipline owners of physical therapy practices for inappropriate activities such as fraudulent billing. Thus, DLS recommended that the board submit a report by October 1, 2011, to address its fund balance, practice of

physical therapy by chiropractors, penalty authority, and complaint resolution. This bill implements those recommendations, as adopted by LPC at its December 15, 2009 meeting.

Additional Information

Prior Introductions: None.

Cross File: HB 131 (The Speaker)(By Request - Department of Legislative Services) - Health and Government Operations.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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