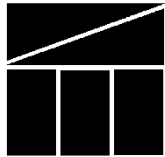


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes  Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



## Virginia Department of Planning and Budget **Economic Impact Analysis**

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**18 VAC 112-20 – Regulations Governing the Practice of Physical Therapy**  
**Department of Health Professions**  
**Town Hall Action/Stage: 4722/7895**  
May 25, 2017

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### **Summary of the Proposed Amendments to Regulation**

The Board of Physical Therapy (Board) proposes to replace the Practice Review Tool (PRT), which was recently retired by the Federation of State Boards of Physical Therapy (FSBPT), with the FSBPT's new assessment tool called "oPTion". The Board also proposes to decrease the number of continuing education hours that may be earned by completing the assessment tool.

### **Result of Analysis**

For one proposed regulatory change, benefits likely outweigh costs. There is insufficient information to ascertain whether the benefits for other proposed changes will outweigh their costs.

### **Estimated Economic Impact**

Current regulation allows physical therapists to use the PRT to meet continuing education (CE) requirements as well as to decrease the number of traineeship hours needed for licensure by endorsement for applicants who do not meet the Board required active practice requirement. Physical therapists can currently use completion of the PRT for 10 of the 30 biennially required CE hours if they do not successfully meet the standards of this tool and can get credit for 20

hours if they meet the standard of the PRT.<sup>1</sup> However, the FSBPT discontinued use of the PRT in November 2016 and replaced it with a new self-assessment tool called oPTion. While the PRT was essentially an assessment with a knowledge level that could be satisfied (or not), the oPTion assessment tool has leveled grading with Levels 1 through 4. As reported by Board staff, Level 1 indicates the ability to apply entry-level knowledge, concepts and principles across a limited range of patient conditions, Level 2 indicates the ability to apply entry-level knowledge, concepts and principles across a moderate range of patient conditions, Level 3 demonstrates ability in a broad range of patient conditions and Level 4 demonstrates ability across an extensive range of patient conditions.

The Board now proposes to allow physical therapists who take the oPTion assessment and attain a Level 2 score to satisfy five of their 30 biennially required CE hours (as compared to the 10 CE hours currently allowed for completion of the PRT). Under the Board's proposal, physical therapists who take the oPTion assessment and attain a Level 3 or 4 score will be able to satisfy 10 CE hours (as compared to the 20 CE hours currently satisfied by successful completion of the PRT). The Board also proposes to limit physical therapists to getting CE credit for completion of the FSBPT assessment tool only once every four years. Board staff reports that the Board proposes to reduce the hours of credit allowed for completion of the FSBPT and limit that credit to being allowed only once every two licensure cycles so that physical therapists complete a wide range of allowable CE activities. To the extent that requiring more diverse CE increases the safety or efficacy of physical therapy practice, these changes may benefit the public. These changes will, however, require physical therapists who currently take the FSBPT assessment to meet CE requirements to participate in a greater number of activities eligible for CE credit which will increase time costs for physical therapists. To the extent that these additional activities have fees, physical therapists will also incur those costs on account of these proposed changes. There is insufficient information to measure whether any benefit gained would outweigh these costs.

Current regulation also allows applicants for licensure by endorsement who do not meet the active practice requirement for licensure to satisfy 160 of the 320 traineeship hours that would otherwise be required by the Board. Since the PRT is no longer available, the Board now

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<sup>1</sup>Meeting the standard means passing the assessment.

proposes to specify that attaining at least a Level 2 score on the oPTion assessment will satisfy the same 160 hours of traineeship that successful completion of the PRT would. Since this change only substitutes reference to the old assessment tool (PRT) with reference to the new assessment tool (oPTion), no affected entities are likely to incur any costs. Interested parties are likely to gain the benefit of additional regulatory clarity because obsolete language is being replaced with reference to the current assessment tool.

### **Businesses and Entities Affected**

These proposed regulatory changes will affect all physical therapists licensed in the Commonwealth as well as future applicants for licensure by endorsement. Board staff reports that there are 8,277 licensed physical therapists in Virginia and also reports that the Board has no estimates of how many of those physical therapists might qualify as small businesses.

### **Localities Particularly Affected**

No locality is likely to be particularly affected by these proposed regulatory changes.

### **Projected Impact on Employment**

These proposed regulatory changes are unlikely to affect employment in the Commonwealth.

### **Effects on the Use and Value of Private Property**

These proposed regulatory changes are unlikely to affect the use or value of private property in the Commonwealth.

### **Real Estate Development Costs**

These proposed regulatory changes are unlikely to affect real estate development costs in the Commonwealth.

### **Small Businesses:**

#### **Definition**

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

### **Costs and Other Effects**

To the extent that affected physical therapists qualify as small businesses, and currently take the FSBPT assessment for CE credit, their businesses will likely incur costs for additional CE activities that they will have to complete. These costs will likely include time spent on additional activities and may also include fees incurred.

### **Alternative Method that Minimizes Adverse Impact**

Absent evidence that the public might benefit from limiting credit hours for the FSBPT assessment, the Board could allow physical therapists to avoid time and other costs by allowing credit for the oPTion assessment at the same rate as current regulation allows credit for the PRT assessment.

### **Adverse Impacts:**

#### **Businesses:**

To the extent that affected physical therapists work independently in their own businesses, and currently take the FSBPT assessment for CE credit, their businesses will likely incur costs for additional CE activities that they will have to complete. These costs will likely include time spent on additional activities and may also include fees incurred.

#### **Localities:**

No locality is likely to be adversely affected by these proposed regulatory changes.

#### **Other Entities:**

No other entities are likely to be adversely affected by these proposed regulatory changes.

### **Legal Mandates**

**General:** The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

**Adverse impacts:** Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant

adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

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