

## TITLE 16. CALIFORNIA BOARD OF OCCUPATIONAL THERAPY

NOTICE IS HEREBY GIVEN that the California Board of Occupational Therapy (Board) is proposing to take the action described in the Informative Digest. Any person interested may submit statements or arguments relevant to the action proposed in writing. Written comments, including those sent by mail, facsimile, or email to the addresses listed under Contact Person in this Notice, must be received by the Board at its office not later than 5:00 pm on May 9, 2016.

Any person that is interested may provide statements or arguments orally or in writing relevant to the action proposed at hearings to be held at:

Enloe Rehabilitation Center  
Conference Room  
340 W. East Avenue  
Chico, CA 95926  
Tuesday, April 19, 2016  
5:30 p.m.

Loma Linda University  
Nichol Hall, Room A911  
24951 N. Circle Drive  
Loma Linda, CA 92354  
Wednesday, April 20, 2016  
3:00 p.m.

Kaiser Permanente  
Conference Room F3, Ground Floor  
4141 Geary Boulevard  
San Francisco, CA 94118  
Tuesday, April 26, 2016  
5:30 p.m.

Sacramento City College  
Mohr Hall, Room 21  
3835 Freeport Boulevard  
Sacramento, CA 95822  
Friday, April 29, 2016  
3:00 p.m.

Kaiser Permanente  
Woodland Hills Medical Center  
5601 De Soto Avenue  
Woodland Hills, CA 91367  
Saturday, May 14, 2016  
12:00 Noon

The Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as Contact Person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by Business and Professions Code Sections 122, 134, 144, 161, 163.5, 462, and 2570.20, and to implement, interpret or make specific Section 144, 2570.5, 2570.9, 2570.10, 2570.11, and 2570.16, of said Code, the Board is considering changes to Division 39 of Title 16 as follows:

### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

This proposed action will increase the initial license, renewal, delinquent renewal, and inactive renewal fees, for Occupational Therapists and Occupational Therapy Assistants as follows:

**Occupational Therapists**

<u>Fee Type</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Initial License	\$150	\$220 (fee is prorated)
Biennial Renewal	\$150	\$220
Delinquent Fee	\$75	\$100
Inactive Renewal	\$25	\$50

**Occupational Therapy Assistants**

<u>Fee Type</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Initial License	\$150	\$180 (fee is prorated)
Biennial Renewal	\$150	\$180
Delinquent Fee	\$75	\$100
Inactive Renewal	\$25	\$50

This proposed action will also establish a \$35 processing fee for license verification or endorsement requests, establish and set forth a \$35 fee for processing dishonored checks, and increase the fee for a duplicate license request from \$15 to \$25.

The necessity and need for this proposed regulatory action is to ensure future fiscal solvency of the Board. As a Special Fund agency the Board does not rely on General Fund monies for its operation. The Board supports itself through fees that it charges licensees and applicants. This proposed action is designed to align Board revenue with future projected operating expenses.

Current budget projections indicate there will be insufficient funds to support Board operations after fiscal year 2018/19. Analysis of the Board’s Fund Balance measured by Months in Reserve projects that at the end of the current fiscal year 2015/16, a 14.9 month reserve will exist. The reserve is projected to steadily decline in the following fiscal years to the point where there will be a -0.4 month reserve at the end of 2018/19.

Adoption and implementation of this proposed action would neutralize and correct the aforementioned Fund Balance decline and provide for a modest reserve for economic uncertainties.

Without sufficient funding levels the Board will not be able to carry out its paramount priority and objective to protect the health, safety, and welfare of California consumers.

After conducting a review for any regulations that would relate to or affect this area, the Board had concluded that these are the only regulations that concern fees for occupational therapy practitioners. This proposed regulatory action is consistent and compatible with existing state regulations.

**FISCAL IMPACT ESTIMATES**

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: None

Non-discretionary Costs/Savings to Local Agencies: None.

Local Mandate: None.

Cost to Any Local Agency or School District for Which Government Code Sections 17500-17630 Require Reimbursement: None.

Business Impact: This regulation will not have a significant statewide adverse economic impact directly affecting businesses including the ability of California businesses to compete with businesses in other states.

RESULTS OF ECONOMIC IMPACT ANALYSIS:

The Board has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

The Board has determined that this regulatory proposal will primarily benefit California consumers by ensuring sufficient revenue levels are maintained for the Board to administer, coordinate, and enforce provisions of the Occupational Therapy Practice Act for the public's health, safety, and welfare.

COST IMPACT ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS:

Minor costs will be imposed on occupational therapy practitioners and any businesses that choose to pay or reimburse their employee's renewal fees.

Existing licensing and biennial renewal fees for an occupational therapist are \$150. This proposed action would increase these fees to \$220, representing a \$70 increase.

Existing licensing and biennial renewal fees for an occupational therapy assistant are \$150. This proposed action would increase these fees to \$180, representing a \$30 increase.

This action also proposes small fee increases for duplicate license requests, from the existing fee of \$15 to \$25, and a dishonored check fee from \$25 to \$35. Establishment of the language pertaining to a license verification/endorsement fee does not represent an increase to existing fees that the Board has been charging for this service previously categorized as a miscellaneous service to the public.

EFFECT ON HOUSING COSTS: None

EFFECT ON SMALL BUSINESS:

There is no cost impact on general small business. Minor costs will be incurred on small occupational therapy practices as outline above under Cost Impact on Representative Private Person or Business.

CONSIDERATION OF ALTERNATIVES:

The Board must determine that no reasonable alternative considered by it or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed, or would be as effective as and less burdensome to affected private persons than the proposal described in this Notice or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

TEXT OF PROPOSAL AND INITIAL STATEMENT OF REASONS AND INFORMATION:

The Board has prepared an initial statement of reasons that sets forth the reasons for the proposed action and has all the information upon which the proposal is based.

Copies of the exact language of the proposed regulation, any documents incorporated by reference, and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained from the Board's website as listed below or upon written request from the contact person listed below.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE:

All the information upon which the proposed regulation is based is contained in the rulemaking file, which is available for public inspection by contacting the person named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below or by accessing the Board's website as listed below.

CONTACT PERSON:

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Jeff Hanson  
California Board of Occupational Therapy  
2005 Evergreen Street, Suite 2250  
Sacramento, CA 95815  
(916) 263-2294 (Tel)  
(916) 263-2701 (Fax)  
cbot@dca.ca.gov

The backup contact person is:

Heather Martin  
(same contact information as above)

All materials regarding this proposal can be found on-line at:

**[www.bot.ca.gov](http://www.bot.ca.gov) > Laws and Regulations > Proposed Regulations.**

**CALIFORNIA BOARD OF OCCUPATIONAL THERAPY**  
**Title 16, Division 39, California Code of Regulations**

**Proposed Text**

Proposed amendments are shown underlined for new text and ~~strikeout~~ for deleted text.

§ 4130. Fees

Fees are fixed by the board as follows:

- (a) ~~On or after July 1, 2014, t~~ The fee for processing an Initial Application for Licensure (Form ILA, Revised 8/2012) shall be fifty dollars (\$50).
- (b) The initial license fee for occupational therapists shall be prorated pursuant to Section 4120(a)(1) and based on a biennial fee of ~~one hundred fifty dollars (\$150)~~ two hundred twenty dollars (\$220).
- (c) The initial license fee for occupational therapy assistants shall be prorated pursuant to Section 4120(a)(1) and based on a biennial fee of one hundred eighty dollars (\$180).
- ~~(c)~~ (d) The fee for a limited permit shall be ~~seventy five dollars (\$75)~~ one hundred dollars (\$100).
- ~~(d)~~ (e) The biennial renewal fee for occupational therapists shall be ~~one hundred fifty dollars (\$150)~~ two hundred twenty dollars (\$220).
- (f) The biennial renewal fee for occupational therapy assistants shall be ~~one hundred fifty dollars (\$150)~~ one hundred eighty dollars (\$180).
- ~~(e)~~ (g) The delinquency fee is ~~one-half of the renewal fee~~ shall be one hundred dollars (\$100).
- ~~(f)~~ (h) The renewal fee for an inactive license shall be ~~twenty-five dollars (\$25)~~ fifty dollars (\$50).
- ~~(g)~~ (i) ~~On or after July 1, 2013, t~~ The fee for an Application for Retired Status (Form ARS, New 7/2012), shall be twenty-five dollars (\$25).
- ~~(h)~~ (j) The fee for a duplicate license shall be ~~fifteen dollars \$15~~ twenty five dollars (\$25).
- (k) The fee for a license verification or endorsement shall be thirty five dollars (\$35).
- (l) The fee for a dishonored check shall be thirty five dollars (\$35).
- ~~(i)~~ (m) The fees for fingerprint services are those charged by the California Department of Justice and the Federal Bureau of Investigation.

Note: Authority cited: Sections 122, 134, 144, 161, 163.5, 462, and 2570.20, Business and Professions Code.  
Reference: Sections 144, 2570.5, 2570.9, 2570.10, 2570.11, and 2570.16, Business and Professions Code.

# CALIFORNIA BOARD OF OCCUPATIONAL THERAPY

## INITIAL STATEMENT OF REASONS

Subject Matter of Proposed Regulation: Regulation pertaining to amending fees charged by the Board.

Sections Affected: Title 16, Division 39, Section 4130 is amended.

### Introduction:

The California Board of Occupational Therapy (Board) is the State agency that regulates the practice of occupational therapy. The Board's highest priority in exercising its licensing, regulatory, and disciplinary functions is to protect and promote the health, safety and welfare of California's consumers. The Board administers, coordinates, and enforces the provisions of the laws and regulations pertaining to the practice of occupational therapy.

The proposed regulation intends to increase licensing and renewal fees to ensure revenue collected is more closely aligned with the Board's annual expenditures.

### SPECIFIC PURPOSE OF EACH ADOPTION, AMENDMENT OR REPEAL:

#### **Section 4130 (a)**

The Board is proposing to delete existing language "On or after July 1, 2014" from this subsection. The amended language would read "The fee for processing an Initial Application for Licensure (Form ILA, Revised 8/2012) shall be fifty dollars (\$50)".

#### *Factual Basis/Rationale:*

Since the implementation date for charging the fee for application processing is now in the past, it is no longer necessary to maintain the language. This proposed amendment is technical in nature and serves to clean up the existing language. It does not change the fee charged for application processing or otherwise change the meaning and intent of this subsection. The fee for application processing cannot be increased by a regulatory change since statutes (BPC 2570.16) establish the application fee cannot exceed \$50.

#### **Section 4130(b)**

The Board is amending this subsection to increase the prorated initial licensing fee for an occupational therapist from the existing base fee of \$150, for a two year license to a newly proposed base fee of \$220 for a two year license. This change represents a \$70 difference between the existing fee and proposed new fee.

#### *Factual Basis/Rationale:*

Current budget projections indicate the Board's Fund Balance as measured in Months in Reserve will steadily decline to the point where there will be a -0.4 month reserve by the end of fiscal year 2017-18. Therefore the Board is proposing to increase fees to preserve its

fiscal solvency and otherwise align revenue with projected operating expenses. This factual basis and rationale will be a repeating theme for all other amendments that are proposed in this document pertaining to increases in fees.

### **Section 4130(c)**

The Board is amending this subsection to increase and differentiate the prorated initial licensing fee for an occupational therapy assistant from the existing base fee of \$150, for a two year license to a newly proposed base fee of \$180 for a two year license. This change represents a \$30 difference between the existing fee and proposed new fee.

Current existing language in subsection (c) pertaining to language regarding the fee for a limited permit is being moved to subsection (d) for technical and formatting purposes.

#### *Factual Basis/Rationale:*

Current budget projections indicate the Board's Fund Balance as measured in Months in Reserve will steadily decline to the point where there will be a -0.4 month reserve by the end of fiscal year 2017-18. Therefore the Board is proposing to increase fees to preserve its fiscal solvency and otherwise align revenue with projected operating expenses.

At this juncture in time the Board feels it is appropriate and fair to differentiate a tiered or lower licensing fee for occupational therapy assistants as opposed to an occupational therapists due to the differences in their pay. This proposed change would represent only a \$30 increase for initial licensing fees for occupational therapy assistants as opposed to the \$70 proposed increase for initial licensing fees for occupational therapists contained in subsection (b).

### **Section 4130(d)**

The Board is amending this subsection to increase the fee for a limited permit from \$75 to \$100. This change would apply to both occupational therapist and occupational therapy limited permits.

Current existing language in subsection (d) regarding fees for biennial renewals is being moved to subsection (e) for occupational therapists and subsection (f) for occupational therapy assistants for technical and formatting purposes.

#### *Factual Basis/Rationale:*

Current budget projections indicate the Board's Fund Balance as measured in Months in Reserve will steadily decline to the point where there will be a -0.4 month reserve by the end of fiscal year 2017-18. Therefore the Board is proposing to increase fees to preserve its fiscal solvency and otherwise align revenue with projected operating expenses.

### **Section 4130(e)**

The Board is amending this subsection to increase the biennial renewal fee for an occupational therapist from the existing fee of \$150, to \$220. This change represents a \$70 increase between the existing fee and proposed new fee.

Current existing language in subsection (e) regarding delinquent renewal fees is being moved to subsection (g) for technical and formatting purposes.

*Factual Basis/Rationale:*

Current budget projections indicate the Board's Fund Balance as measured in Months in Reserve will steadily decline to the point where there will be a -0.4 month reserve by the end of fiscal year 2017-18. Therefore the Board is proposing to increase fees to preserve its fiscal solvency and otherwise align revenue with projected operating expenses.

**Section 4130(f)**

The Board is amending this subsection to increase and differentiate the biennial renewal fee for an occupational therapy assistant from the existing fee of \$150, to \$180. This change represents a \$30 increase between the existing fee and proposed new fee.

Current existing language in subsection (f) regarding the fee to renew a license on inactive status is being moved to subsection (h) for technical and formatting purposes.

*Factual Basis/Rationale:*

Current budget projections indicate the Board's Fund Balance as measured in Months in Reserve will steadily decline to the point where there will be a -0.4 month reserve by the end of fiscal year 2017-18. Therefore the Board is proposing to increase fees to preserve its fiscal solvency and otherwise align revenue with projected operating expenses.

Similar and consistent with the proposed change in subsection (c) regarding initial licensing fees for occupational therapy assistants the Board feels it is appropriate and fair to differentiate a tiered or lower biennial renewal fee for occupational therapy assistants as opposed to occupational therapists due to the differences in their pay. This proposed change would represent only a \$30 increase for biennial renewal fees for occupational therapy assistants as opposed to the \$70 proposed increase for biennial renewal fees for occupational therapists contained in subsection (e).

**Section 4130(g)**

The Board is amending this subsection to increase the delinquent fee from \$75 (half of the existing biennial renewal fee of \$150) to \$100. This change represents a \$25 increase to the delinquent fee. This change would apply to occupational therapist and occupational therapy assistant renewals.

Current existing language in subsection (g) regarding the fee for an Application for Retired Status is being moved to subsection (i) for technical and formatting purposes.

*Factual Basis/Rationale:*

Current budget projections indicate the Board's Fund Balance as measured in Months in Reserve will steadily decline to the point where there will be a -0.4 month reserve by the end of fiscal year 2017-18. Therefore the Board is proposing to increase fees to preserve its fiscal solvency and otherwise align revenue with projected operating expenses.



### **Section 4130(h)**

The Board is amending this subsection to increase the fee for renewing a license on inactive status from \$25 to \$50. This change represents a \$25 increase to the inactive renewal fee. This change would apply to occupational therapist and occupational therapy assistant renewals.

Current existing language in subsection (h) regarding the fee for a duplicate license is being moved to subsection (j) for technical and formatting purposes.

#### *Factual Basis/Rationale:*

Current budget projections indicate the Board's Fund Balance as measured in Months in Reserve will steadily decline to the point where there will be a -0.4 month reserve by the end of fiscal year 2017-18. Therefore the Board is proposing to increase fees to preserve its fiscal solvency and otherwise align revenue with projected operating expenses.

### **Section 4130(i)**

The Board is proposing to delete existing language "On or after July 1, 2014" from this subsection. The amended language would read "The fee for an Application for Retired Status (Form ARS, New 7/2013), shall be twenty-five dollars (\$25)".

Current existing language in subsection (i) regarding the fees for fingerprint services charged by the California Department of Justice and Federal Bureau of Investigation is being moved to subsection (l) for technical and formatting purposes.

#### *Factual Basis/Rationale:*

Since the implementation date for charging the fee for the Application for Retired Status is now in the past, it is no longer necessary to maintain the language. This proposed amendment is technical in nature and serves to clean up the existing language. It does not change the fee charged for application processing or otherwise change the meaning and intent of this subsection. The fee for application processing cannot be increased by a regulatory change since statutes (BPC 2570.17) establish the fee shall be \$25.

### **Section 4130(j)**

The Board is proposing to increase the fee for a duplicate license from \$15 to \$25. This change represents a \$10 increase to the duplicate license fee. This change would apply to occupational therapist and occupational therapy assistant licenses and limited permits.

#### *Factual Basis/Rationale:*

Current budget projections indicate the Board's Fund Balance as measured in Months in Reserve will steadily decline to the point where there will be a -0.4 month reserve by the end of fiscal year 2017-18. Therefore the Board is proposing to increase fees to preserve its fiscal solvency and otherwise align revenue with projected operating expenses.

### **Section 4130(k)**

The Board is proposing to add language that establishes and clarifies the fee for processing a license verification or endorsement shall be \$35.

#### *Factual Basis/Rationale:*

The Board has been charging \$35 for these services and has been categorizing it as a miscellaneous service to the public. The addition of this language does not represent an increase in fees over the services that are currently being provided. Since amendments to 16 CCR section 4130 are necessary and explained throughout this document the Board is taking this opportunity to establish this language for clarity and transparency.

### **Section 4130(l)**

The Board is proposing to add language that will establish the fee for a dishonored check shall be \$35. This will represent a \$10 increase over the existing fee of \$25 that the Board charges for processing a dishonored check.

#### *Factual Basis/Rationale:*

The Board currently charges a \$25 for processing a dishonored check. The Board is authorized to charge a fee in excess of \$25 if it adopts regulations to establish a higher fee. This proposed amendment will provide clarity and transparency regarding the fee the Board charges for dishonored check processing.

### **Section 4130(m)**

The proposed language contained in this subsection pertains to the fees for fingerprint processing by the California Department of Justice and Federal Bureau of Investigation. There is no increase to these fees. The fees are set by the Department of Justice and Federal Bureau of Investigation.

#### *Factual Basis/Rationale:*

The language proposed in 16 CCR section 4130(m) was moved from the current and existing language contained in subsection (i). This proposed change is technical in nature and being done for formatting purposes. The meaning and intent of the existing language has not changed.

### **BUSINESS IMPACT**

The proposed amendment to Section 4130 contains increases to various fees, including the initial license and renewal fees. This will result in cost increases to businesses or employers that pay for or reimburse a practitioner's application and/or renewal fees. The Board does track or monitor employers that pay or reimburse employees their renewal fees so it is unable to quantify a cost impact to these businesses.

### **ECONOMIC IMPACT ASSESSMENT – Government Code section 11346.3(b)**

#### **Creation or Elimination of Jobs in California**

The proposed regulatory action seeks to increase various licensing fees for occupational therapy practitioners. The most significant increase pertains to a \$70 increase biennially for

initial licensing and renewal fees for an occupational therapist. Occupational therapy assistants would experience a \$20 increase biennially for initial licensing and renewal fees. The Board does not anticipate the proposed regulatory action will either create or eliminate jobs within the State of California. Individuals who seek authorization to provide services in a regulated profession are accustomed to paying licensing fees to regulatory entities.

#### Creation or Elimination of Existing Businesses Within the State of California

The Board has determined the proposed regulatory action will not create new businesses or result in the elimination of existing businesses within the State of California. The proposed action increases various licensing fees and would have a direct impact on any business that pays or reimburses the practitioner for these fees. However, the nature and extent of the fee increases are not likely to result in the elimination or creation of business within the State.

#### Expansion of Business of Existing Business Within the State of California

The Board has determined the proposed regulatory action will not result in expansion of any businesses currently doing business within the State of California.

#### Benefits of the Regulations

The primary benefit of this proposed action is to ensure the Board remains fiscally solvent to administer, regulate, and enforce the Occupational Therapy Practice Act and to carry out its mission to protect the health, safety, and welfare of California consumers.

Based on the above Economic Impact Analysis, the Board concludes that the proposed action will not have a significant adverse economic impact to businesses.

#### SPECIFIED TECHNOLOGIES OR EQUIPMENT

This regulation does not mandate the use of specific technologies or equipment.

#### CONSIDERATION OF ALTERNATIVES

No reasonable alternative to the regulation would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons and businesses than the proposed regulation.

#### Alternative #1

The Board considered doing nothing and leaving the regulations as they currently exist. This alternative was rejected because it would be irresponsible and ultimately jeopardize public safety as the Board would be forced to reduce expenses in other areas including but not limited to staff positions.