



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

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**18 VAC 112-20 – Regulations Governing the Practice of Physical Therapy**  
**Department of Health Professions**  
May 1, 2008

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

Pursuant to Code of Virginia §54.1-3482 and §54.1-3482.1, the Board of Physical Therapy (Board) proposes to amend its regulations to set rules for direct access certification. These rules will allow physical therapists who obtain certification to treat patients for a limited time without a physician's referral. These proposed regulations will replace emergency regulations that expire October 31, 2008.

### **Result of Analysis**

The benefits of these proposed changes likely exceed their costs.

### **Estimated Economic Impact**

Before the legislative change that led to these proposed regulations, physical therapists could evaluate patients that came directly to them (rather than going to a physician first) but could not offer treatment until these patients had obtained referrals. These proposed regulations, and authorizing legislation, will allow physical therapists who obtain certification to treat a patient for 14 business days or fewer without first obtaining a referral from a physician. As required by legislation, in order to be eligible for certification physical therapists must have either:

- completed a doctor of physical therapy program approved by the American Physical Therapy Association,
- completed a Board recognized transitional program in physical therapy or

- worked as a physical therapist for at least three years (post-licensure) and have evidence of 15 hours of continuing education in medical screening and/or differential diagnosis.

Physical therapists who want to keep their certification current must use four of the 30 hours of continuing education that they are required to complete biennially to take “courses related to clinical practice in a direct access setting”. The fee for initial certification in these proposed regulations is \$75; this will replace the \$100 fee that currently must be paid under emergency regulations. The fee for biennial renewal of certification is \$35 and the fee for late renewal is an additional \$15. In addition to setting certification requirements and fees, legislation and these proposed regulations require physical therapists providing direct access services to have their patients sign a Board approved form. This form outlines the patient’s responsibility to see a doctor if care is needed for more than 14 days and allows the physical therapist to release medical records to the patient’s doctor.

The Department of Health Profession (DHP) reports that most physical therapists likely already meet one of the criteria for certification. Since 2004, all accredited physical therapy education programs in Virginia have only offered doctoral degrees in physical therapy; all physical therapists who have graduated from a Virginia program since that time are automatically eligible for certification. Any interested individuals who graduated from an accredited program in Virginia before 2004, and did not receive a doctoral degree, will likely have three years of active practice; these individuals will be eligible to apply for certification immediately if they have the required continuing education. If these individuals haven’t completed the requisite continuing education, they will need to take 15 hours of classes before they could apply for certification.

Any interested individuals who received their education in the last three years from one of the 21 accredited programs nation wide that still offer a master’s degree in physical therapy (or individuals who were licensed before 2004 but have not actively practiced for three years since then) will have to either work in active practice for three years before applying for certification or attend a transitional program. DHP reports that transitional programs allow individuals who already have a master’s degree in physical therapy to earn a doctoral degree. These programs typically require approximately three years of part time schooling to complete. Individuals who choose to complete a transitional program will incur costs for tuition, books and

time spent completing classes either on-line and/or at the physical location of the physical therapy program. Because transitional physical therapy doctoral programs are part time, licensed physical therapists would likely have the time to continue working while they complete their education. In any case, direct access certification is not required for physical therapy licensure so physical therapists will likely only choose to become certified if they expect the benefits of doing so to exceed the costs.

Physical therapists who choose to pursue direct access certification may see their patient base increase if patients choose to seek direct access services instead of seeing a physician (for problems that turn out to be short lived). If this occurs, physical therapists will likely increase their revenues. Individuals with health issues that may be treated through physical therapy will likely benefit from these legislative and regulatory changes because they will have more choice in how they are treated and who they see for treatment.

### **Businesses and Entities Affected**

These proposed regulations will affect all physical therapists who choose to pursue direct access certification. DHP reports that, to date, 72 of the 4,757 physical therapists currently licensed by the Commonwealth have applied for certification.

### **Localities Particularly Affected**

No locality will be particularly affected by this proposed regulatory action.

### **Projected Impact on Employment**

If a significant percentage of individuals who would benefit from short term physical therapy choose to directly access those services, demand for physical therapist services may increase. If this occurs, more individuals may choose to pursue careers in physical therapy.

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

To the extent that direct access certification increases the profits for physical therapists in private practice, the value of their practices will increase.

### **Small Businesses: Costs and Other Effects**

DHP does not know how many licensed physical therapists practice privately and would qualify as small businesses. Any physical therapists who do qualify as small businesses, and

who choose to pursue direct access certification, will incur costs discussed above. Physical therapists will likely only choose to become certified if they expect the benefits of doing so to exceed the costs.

### **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The rules for this certification program are largely set through legislation. There are likely no changes that could be made to these proposed regulations that would further minimize costs.

### **Real Estate Development Costs**

This regulatory action will likely have no affect on real estate development costs in the Commonwealth.

### **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.