

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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**SUMMARY OF: A Sunset Review on the Department of Commerce, Community, and Economic Development, State Physical Therapy and Occupational Therapy Board, June 17, 2013**

### PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the State Physical Therapy and Occupational Therapy Board's (board) activities. The purpose of this audit was to determine whether there is a demonstrated public need for the board's continued existence and whether it has been operating in an effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the board should be reestablished. Currently, under AS 08.03.010(c)(16), the board will terminate on June 30, 2014, and will have one year from that date to conclude its administrative operations.

### REPORT CONCLUSIONS

We conclude that the board's termination date should be extended. The board is protecting the public's interest by effectively licensing and regulating physical therapists, physical therapy assistants, occupational therapists, and occupational therapy assistants. The board monitors licensees and ensures that only qualified individuals practice. Furthermore, the board develops and adopts regulatory changes to improve the physical and occupational therapy professions in Alaska. We recommend that the board's termination date be extended to June 30, 2022.

The prior sunset audit included one recommendation which has been resolved. This report makes one new recommendation to the Division of Corporations, Business and Professional Licensing (DCBPL) to address various deficiencies in its investigations case management system.

### FINDINGS AND RECOMMENDATIONS

1. DCBPL's director should continue to improve the investigative case management system's integrity and confidentiality.



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July 1, 2013

Members of the Legislative Budget  
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the State Physical Therapy and Occupational Therapy Board and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,  
AND ECONOMIC DEVELOPMENT  
STATE PHYSICAL THERAPY  
AND OCCUPATIONAL THERAPY BOARD

June 17, 2013

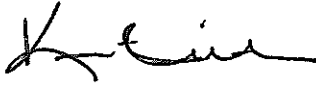
Audit Control Number  
08-20083-13

The audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists the criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Per AS 08.03.010(c)(16), the State Physical Therapy and Occupational Therapy Board (board) is scheduled to terminate on June 30, 2014.

In our opinion, the board's termination date should be extended. Licensing and regulating qualified physical therapists and occupational therapists benefits the public's safety and welfare. We recommend that the legislature extend the termination date to June 30, 2022.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in

the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

A handwritten signature in black ink, appearing to read "Kris Curtis". The signature is fluid and cursive, with a prominent initial "K" and a long, sweeping underline.

Kris Curtis, CPA, CISA  
Legislative Auditor

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## OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and 44 of the Alaska Statutes, we have reviewed the activities of the State Physical Therapy and Occupational Therapy Board (board) to determine whether there is a demonstrated public need for its continued existence and whether it has been operating in an efficient and effective manner.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the board should be reestablished. Currently, under AS 08.03.010(c)(16), the board will terminate on June 30, 2014, and will have one year from that date to conclude its administrative operations.

### Objectives

The four, central audit objectives were:

1. Determine whether the board's termination date should be extended.
2. Determine whether the board is operating in the public's interest.
3. Determine whether the board has exercised appropriate regulatory oversight of licensed physical therapists and occupational therapists.
4. Provide a current status of recommendations made in the prior audit report.

### Scope and Methodology

The assessment of board operations and performance was based on criteria established in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

The audit reviewed board operations and activities for the period FY 06 through May 2013.

During the course of the audit, the following were reviewed and evaluated:

- Applicable statutes and regulations to identify board functions and responsibilities. Changes made during the audit period were reviewed to determine whether the changes enhanced or impeded board activities and were evaluated for consistency with statutory purpose and to ascertain if the board operated in the public's interest.
- Board members' applications and resumes filed with the Office of the Governor's Boards and Commissions to verify that members met statutory requirements.

- Board meeting minutes, budget documents, and annual reports to understand board proceedings and activities as well as the nature and extent of public input.
- Public notice documents to ascertain whether public notice for board meetings and regulatory changes was published as required by Alaska Statutes and Division of Corporations, Business and Professional Licensing (DCBPL or division) policy.
- The prior sunset audit and a previous special audit of DCBPL to identify previous and existing issues affecting the board.

The current board chair and a former board chair were interviewed to determine whether the board's activities were enhanced or impeded by regulatory changes, the type of public input received, and fee levels. DCBPL's director, various other division personnel, and several employees in the Information Technology section of the Department of Commerce, Community, and Economic Development (DCCED), Administrative Services Division were also interviewed to assess the adequacy of division support for board activities.

Surveys of active board licensees with United States addresses were conducted to obtain licensee opinions on: what regulatory changes should be made, whether the board operated effectively and in the public's interest, the board's performance in addressing important issues, and whether the board is duplicating the efforts of other organizations.

A random sample of 25 initial and renewal licensing files was selected from 1,152 active licenses and assessed for statutory and regulatory compliance. In determining sample size, the applicable controls were considered moderately significant; the inherent risk was considered limited, and the risk of noncompliance was considered low.

A random sample of investigative files and documentation was tested to assess the efficiency and effectiveness of the investigative process. In determining sample size, the applicable controls were considered moderately significant, and the inherent risk was considered limited. Prior audits found errors with the case management system, and the extract of the investigations database showed evidence of system errors. Therefore, the risk of noncompliance was considered moderate, and a 15 percent sample (or six cases) was determined sufficient to detect errors.

Board and division internal control procedures relating to various audit objectives were assessed, including procedures over licensing, investigations, and board proceedings. Controls over the investigative case management system and the licensing database were also assessed.

Inquiries regarding board-related complaints were made with the following organizations:

- Alaska State Commission for Human Rights;
- Department of Administration's, Division of Personnel and Labor Relations;



- United States Equal Employment Opportunity Commission;
- DCCED's Commissioner's Office;
- Office of the Ombudsman;
- Office of Victims' Rights; and
- Office of the Governor.

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# ORGANIZATION AND FUNCTION

The State Physical Therapy Board was established in 1974. In 1987, its scope and authority were expanded to include the licensing and oversight of occupational therapy practitioners. Accordingly, the board was renamed the State Physical Therapy and Occupational Therapy Board (board).

The current board is composed of seven members: one physician, three physical therapists, two occupational therapists, and one public member.

Board members are appointed by the governor to serve four-year terms. Board members may not serve more than two consecutive terms. Alaska Statutes require that the public member of the board have no direct financial interest in the healthcare industry.

## Board Duties and Powers

Alaska Statute 08.84.010 establishes the board's authority. Board authority includes:

1. Examining qualified applicants.
2. Issuing licenses to physical therapists, physical therapy assistants, occupational therapists, and occupational therapy assistants who meet the education and training standards deemed necessary by the board.
3. Suspending, revoking, or refusing to issue or renew a license.
4. Maintaining a register of licensed therapists and assistants.
5. Keeping a record of board proceedings and submitting an annual report of its activities.
6. Reviewing and approving continuing education courses and activities.

## Exhibit 1

**State Physical Therapy and  
Occupational Therapy Board**  
*(as of March 20, 2013)*

Kathleen Lind  
*Chair, Occupational Therapist*

Judy Bogard  
*Secretary, Physical Therapist*

James Parietti  
*Physical Therapist*

Ruth Kostik  
*Public Member*

Darin Bell  
*Physician*

Mary M. Robinson  
*Occupational Therapist*

Valerie Phelps  
*Physical Therapist*

Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing (division)

The division provides administrative and investigative assistance to the board. Administrative assistance includes budgetary services and functions such as collecting fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations and meetings. Investigative assistance is available upon request, or the division may initiate an investigation if an individual appears to have engaged – or is about to engage – in a practice over which the division has authority. The division can issue an order that an individual stop a practice, bring an action in Alaska’s Superior Court to enjoin the act, examine the books and records of a license holder and/or association, and subpoena witnesses and records.

Alaska Statute 08.01.065 mandates that DCCED adopt regulations to establish the amount and manner of fee payments for applications, examinations, licenses, registration, permits, investigations, and all other fees as appropriate for the occupations covered by statutes.

## **REPORT CONCLUSIONS**

In developing a conclusion regarding whether the State Physical Therapy and Occupational Therapy Board's (board) termination date should be extended, board operations were evaluated using the 11 factors set out in AS 44.66.050. Under the State's "*sunset*" law, these factors are to be used to assess whether an agency has demonstrated a public policy need for continuing operations.

Overall, the board is serving the public's interest by effectively licensing and regulating physical therapists, physical therapy assistants, occupational therapists, and occupational therapy assistants. The board monitors licensees and ensures that only qualified individuals practice. Furthermore, the board develops and adopts regulatory changes to improve the physical and occupational therapy professions in Alaska.

In accordance with AS 08.03.010(c)(16), the board is scheduled to terminate June 30, 2014. We recommend that the board's termination date be extended eight years to June 30, 2022.

One recommendation was made regarding the Division of Corporations, Business and Professional Licensing's investigative support to the board. Improvements are needed to address various deficiencies in its investigative case management system. (See Recommendation No. 1.)

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## FINDINGS AND RECOMMENDATIONS

The State Physical Therapy and Occupational Therapy Board's (board) 2005 sunset audit<sup>1</sup> included one recommendation for the Office of the Governor to recruit candidates and make appointments to the board in a timely manner. This recommendation was resolved. Since 2006, all vacancies have been filled within six months.

This audit makes one new recommendation.

### Recommendation No. 1

The Division of Corporations, Business and Professional Licensing (division or DCBPL) director should continue to improve the investigative case management system's integrity and confidentiality.

DCBPL's investigative case management system does not fully support efficient case management. The system was purchased with the expectation that it would be an "off the shelf" product with immediate functionality as a case management tool. However, the system does not entirely meet the Investigation Unit's needs.

When the investigative case management system was implemented in 2010, division management identified many system deficiencies. These ranged from significant security, reporting, and conversion problems to various inefficiencies in case management processing. Deficiencies were caused by a lack of procedures and software limitations.

While some of the deficiencies were addressed through a new policy and procedure manual dated May 2012, other problems require software fixes by the vendor. A new contract signed in June 2012 has allowed the division to work with the vendor to address software issues. The vendor was tasked with improving the investigative case management system's efficiency and reliability in several areas. Division management reported that these improvements are in the testing phase and should be effective by the end of June 2013.

However, other problems persist. Security related to case confidentiality remains weak as each investigator may view and alter other investigators' cases. Though investigators are discouraged from viewing cases to which they are not assigned, they have access to all investigative files. The investigative case management system's deficiencies have also affected case management efficiency. Investigators reported the system may fail to respond which results in lost work. Additionally, the system's reporting function did not consistently produce reliable information.

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<sup>1</sup>Department of Commerce, Community, and Economic Development; Division of Corporations, Business and Professional Licensing; State Physical Therapy and Occupational Therapy Board, September 17, 2005, audit control number 08-20043-05.

The duty to investigate occupational licensing complaints is statutorily assigned to DCBPL. The efficiency with which complaints are investigated is one of the evaluation criteria used in the sunset legislative oversight process. Specifically, AS 44.66.050(c) requires examining:

*The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.*

The noted deficiencies in the investigative case management system impede the division's ability to provide investigative support to the board.

We recommend that DCBPL's director continue to improve the investigative case management system's integrity and confidentiality.



## **A ANALYSIS OF PUBLIC NEED D**

The following analyses of State Physical Therapy and Occupational Therapy Board (board) activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

As part of the audit, a survey of board licensees was conducted. All active licensees with addresses in the United States (1,090 as of January 23, 2013) were provided the survey, and 345 (32 percent) responded. The survey questions and responses are presented in Appendix A of this report.

***Determine the extent to which the board, commission, or program has operated in the public interest.***

The board provided reasonable assurance that therapists are competent and qualified to practice physical or occupational therapy by promulgating and enforcing regulations. From FY 06 through FY 12, the board adopted, repealed, or revised 31 regulations. The changes streamlined and standardized licensure requirements, exempted active-duty military personnel from continuing education requirements for license renewal, required additional education for those who repeatedly fail the licensing examination, and instituted standards for internships and telerehabilitation.<sup>2</sup> The regulatory changes also included “housekeeping” changes, such as updating definitions to match the current nature of the profession.

The board actively provided information to the public and to professional associations. Board members attended the Alaska chapters of the American Physical Therapy Association and the American Occupational Therapy Association meetings to facilitate communication between the board and the associations.

***Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.***

The majority of licensee survey respondents reported overall satisfaction with the board’s effectiveness. Seventy-five percent of licensee respondents rated the board’s performance between “good” and “excellent.” Eighty-seven percent of respondents also reported that the board’s effectiveness has either remained the same or increased over the last four years.

During the audit period, the board held the number of meetings required by Alaska Statutes (one per year) and regulations (two per year). A quorum was maintained at all meetings and

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<sup>2</sup>The board established telerehabilitation standards in 2008 (12 AAC 54.530 and 12 AAC 54.825) intending to increase the availability of services to rural Alaskans. The effect of these standards has not been determined.

vacancies did not hamper board proceedings.

Exhibit 2 (below) presents a schedule of board revenues and expenditures from FY 06 through March 31, 2013. The amounts were provided by DCBPL management. Division staff restated all occupational board financial activity to adjust for the over allocation of DCBPL indirect costs to occupational boards as identified by a 2011 special audit.<sup>3</sup> Exhibit 2 is unaudited and provided for general information purposes.

The adequacy of fee levels did not impact the effectiveness of board activities. Alaska Statute 08.01.065(c) requires “*the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation.*” As shown in Exhibit 2, the board began biennial licensing cycles FY 06 and FY 08 with a financial deficit. In FY 08, board fees were increased by \$50 (from \$180 to \$230 for therapists and from \$130 to \$180 for therapy assistants), which eliminated the deficit. In FY 10, fees were reduced to pre-FY 08 levels. The cumulative deficit was \$5,460 as of March 31, 2013.

**Exhibit 2**

State Physical Therapy and Occupational Therapy Board								
Restated Schedule of Revenues and Expenditures								
FY 06 through March 31, 2013								
(Unaudited)								
	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	July 1, 2012 - March 31, 2013
Licensing Revenue	\$ 149,915	\$ 34,445	\$ 199,351	\$ 50,274	\$ 176,995	\$ 49,355	\$ 194,195	\$ 43,850
Direct Expenditures								
Personal Services	45,523	39,287	24,192	28,356	53,374	47,147	63,746	53,039
Travel	6,441	7,304	11,059	10,930	14,973	10,618	9,777	2,897
Contractual	5,030	7,299	5,469	5,233	11,706	9,588	11,130	2,085
Supplies	72	-	21	177	98	384	452	139
Total Direct Expenditures	57,066	53,890	40,741	44,696	80,151	67,737	85,105	58,160
Indirect Expenditures	35,161	44,200	43,009	42,979	42,713	52,887	68,781	51,586*
Total Expenditures	92,227	98,090	83,750	87,675	122,864	120,624	153,886	109,746
Annual Surplus (Deficit)	57,688	(63,645)	115,601	(37,401)	54,131	(71,269)	40,309	(65,896)
Beginning Cumulative Surplus (Deficit)	(34,978)	22,710	(40,935)	74,666	37,265	91,396	20,127	60,436
Ending Cumulative Surplus	\$ 22,710	\$ (40,935)	\$ 74,666	\$ 37,265	\$ 91,396	\$ 20,127	\$ 60,436	\$ (5,460)

Source: DCBPL management

\* FY 13 indirect costs are estimated based on the prior fiscal year's amount.

<sup>3</sup> Department of Commerce, Community, and Economic Development; Division of Corporations, Business and Professional Licensing; Select Occupational Licensing and Enforcement Issues, June 29, 2011, audit control number 08-30063-11.

Board operations were not impeded by statutes, procedures, or practices, except for deficiencies in DCBPL’s investigative case management system. These deficiencies have impeded DCBPL’s ability to provide adequate investigative support to the board. (See Recommendation No. 1.)

***Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.***

The board annually recommended statutory changes; however, no changes were implemented from FY 06 through FY 13. Recommended changes included: removing references to specific organizations in Alaska Statutes, protecting the term *physiotherapy*,<sup>4</sup> aligning statutory licensure requirements with the professions’ current practices, clarifying the restrictions on limited licenses, and defining legislative intent regarding “*public protection*.” The board also recommended changing the statutes regarding foreign-educated applicants to require the Test of English as a Foreign Language exam only if a degree program was not taught in English. The board further recommended aligning the requirements for foreign-educated applicants with those for applicants educated in the United States.

***Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.***

From FY 06 through FY 13, the board held between two and five meetings per year, which met or exceeded the minimums required by state law. An analysis of 12 of 23 board meetings held during the audit period showed meetings were published on the State’s Online Public Notice System for all but one meeting.<sup>5</sup> Interested individuals were encouraged to attend meetings or submit written comments for review.

***Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.***

Upcoming meeting times, proposed regulations, and regulation changes were published on the State’s Online Public Notice System. The board allotted time for public comment at each board meeting. Meeting minutes are available on the board’s website.

<sup>4</sup>According to the board, *physiotherapy* is a term that has become synonymous with the term *physical therapy*. The board wants to prevent unlicensed individuals from practicing physiotherapy in Alaska.

<sup>5</sup>The meeting was a teleconferenced continuation of a prior meeting for which notice was properly published.

***Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.***

No board-related complaints were filed with the State's Office of the Ombudsman, Office of Victims' Rights, Office of the Governor, or DCCED's Commissioner's Office from July 2008 through January 2013. Thirty-seven complaints against board licensees or applicants were either open or opened by DCBPL between July 2008 and January 2013. As of February 2013, 31 of the 37 complaints had been closed.

***Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.***

From FY 06 through FY 12, the board issued new licenses to 473 physical therapists, 75 physical therapy assistants, 213 occupational therapists, and 33 occupational therapy assistants. These counts exclude 258 temporary and limited licenses issued during the same period because those receiving temporary or limited licenses generally received permanent licenses at a later date. Exhibit 3 (following page) provides the number of each type of new license issued during the audit period as reported in annual reports prepared by DCBPL.

Seventy-one percent of licensee survey respondents rated their experience in applying for or maintaining professional licensure as either "good" or "excellent," with 76 percent rating the amount of time taken for licensure as reasonable. Eighty-one percent of respondents believed that the licensing requirements did not create an unnecessary barrier to entering the profession, and 82 percent believed that current licensing fees were reasonable.

As of March 2013, there were a total of 1,152 active board licenses.<sup>6</sup> An analysis of 25 initial and renewal licenses showed that licensees were approved in compliance with statutes and regulations.

Continuing education is required and monitored by the board. DCBPL audits approximately 10 percent of renewal license applications for compliance with continuing education requirements.

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<sup>6</sup>These include 697 physical therapists, 80 physical therapy assistants, 302 occupational therapists, 35 occupational therapy assistants, and 38 temporary or limited licenses.

**Exhibit 3**

**Number of Physical and Occupational Therapists and Assistants  
Receiving Initial License per Annual Report  
FY 06 through FY 12**

<b>License Type</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>	<b>FY 12</b>	<b>Total</b>
<i>Permanent Licenses</i>								
Physical Therapists	60	56	66	73	57	89	72	<b>473</b>
Physical Therapy Assistant	8	5	13	10	9	13	17	<b>75</b>
Occupational Therapy	26	30	25	27	35	38	32	<b>213</b>
Occupational Therapy Assistant	4	3	3	5	4	8	6	<b>33</b>
<b>Total Permanent Licenses</b>	<b>98</b>	<b>94</b>	<b>107</b>	<b>115</b>	<b>105</b>	<b>148</b>	<b>127</b>	<b>794</b>
<i>Temporary/Limited Licenses*</i>								
Physical Therapists	29	21	37	8	11	11	26	<b>143</b>
Physical Therapy Assistant	3	3	5	3	2	3	5	<b>24</b>
Occupational Therapy	20	11	15	9	3	3	16	<b>77</b>
Occupational Therapy Assistant	3	2	4	-	1	1	3	<b>14</b>
<b>Total Temporary/Limited Licenses</b>	<b>55</b>	<b>37</b>	<b>61</b>	<b>20</b>	<b>17</b>	<b>18</b>	<b>50</b>	<b>258</b>
<b>Total Licenses</b>	<b>153</b>	<b>131</b>	<b>168</b>	<b>135</b>	<b>122</b>	<b>166</b>	<b>177</b>	<b>1,052</b>

Source: DCBPL management.

\*Annual reports for FY 09 through FY 11 did not include temporary licenses. Only limited licenses are presented above for those years.

***Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.***

From July 2008 through January 2013, no board-related complaints were filed with the Alaska State Commission for Human Rights, the United States Equal Employment Opportunity Commission, or the Department of Administration’s Division of Personnel and Labor Relations.

***Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.***

The majority of licensee survey respondents believed that existing statutes and regulations met licensees’ needs and protect the public’s interest.

During the audit period, board operations were impeded by DCBPL’s investigative case management system. Identified deficiencies range from security, reporting, and conversion

problems to various inefficiencies in case management processing. (See Recommendation No. 1.)

***Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.***

Objectives identified by the board in annual reports include:

- Holding a minimum of two meetings per year.
- Licensing qualified applicants.
- Monitoring ongoing investigations.
- Appointing a board member liaison with the Alaska chapters of the Alaska Physical Therapy Association and the Alaska Occupational Therapy Association to provide information to their newsletters.
- Attending annual conferences sponsored by the Federation of State Boards of Physical Therapy (FSBPT) and by the National Board for Certification in Occupational Therapy (NBCOT).
- Providing time for public comment at board meetings.
- Continuing full board membership at all times.
- Pursuing statutory changes.
- Revising regulations.

Interviews with board members and an examination of meeting minutes and annual reports indicate that the board reasonably achieves its operational objectives annually.

***Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.***

Two professional organizations have a role in the board's licensing process. For initial licensure, occupational therapy licensees are required to become certified by NBCOT. They are not, however, required to maintain membership in NBCOT, and NBCOT has no licensing or investigative responsibilities. Though FSBPT administers the examination for initial licensure, physical therapy licensees are not required to be members of any professional agency. These organizations' activities do not represent a duplication of efforts.

## **AppendiX**

As a part of this audit, a survey was provided to the 1,090 physical therapist and occupational therapist licensees with United States addresses as of January 23, 2013. Of those surveyed, 345 (32 percent) responded. The survey results are summarized in Appendix A.

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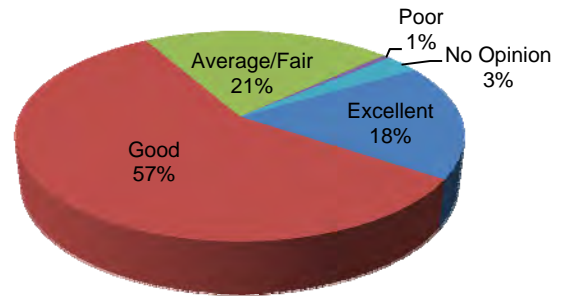
## Appendix A

### Licensed Physical and Occupational Therapists and Assistants Survey Results

1. How would you rate the overall effectiveness of the board?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Excellent	61	18%
Good	198	57%
Average/Fair	74	21%
Poor	2	1%
No Opinion	10	3%
Total Respondents	345	100%

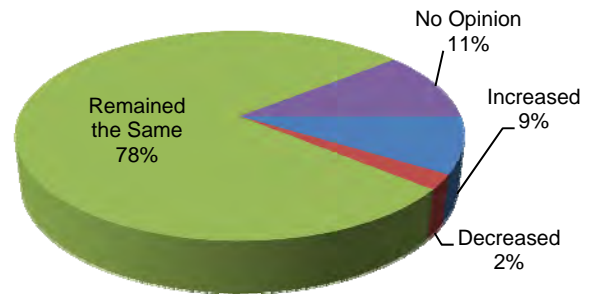
**Overall Board Effectiveness**



2. In your opinion, has the effectiveness of the board increased, decreased, or remained the same over the last four years?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Increased	30	9%
Decreased	8	2%
Remained the Same	270	78%
No Opinion	37	11%
Total Respondents	345	100%

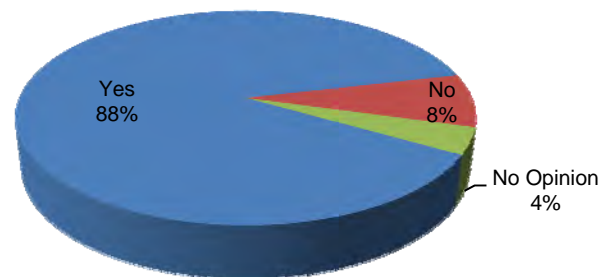
**Change in Board Effectiveness**



3. Do you believe existing statutes meet the needs of regulated individuals and/or entities and protect the public's interests?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Yes	304	88%
No	29	8%
No Opinion	12	4%
Total Respondents	345	100%

**Effectiveness of Existing Statutes**



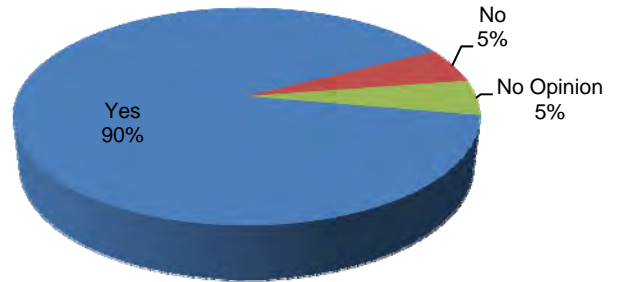
**Appendix A**  
(Continued)

**Licensed Physical and Occupational Therapists and Assistants  
Survey Results**

4. Do you believe existing board regulations meet the needs of regulated individuals and/or entities and protect the public's interests?

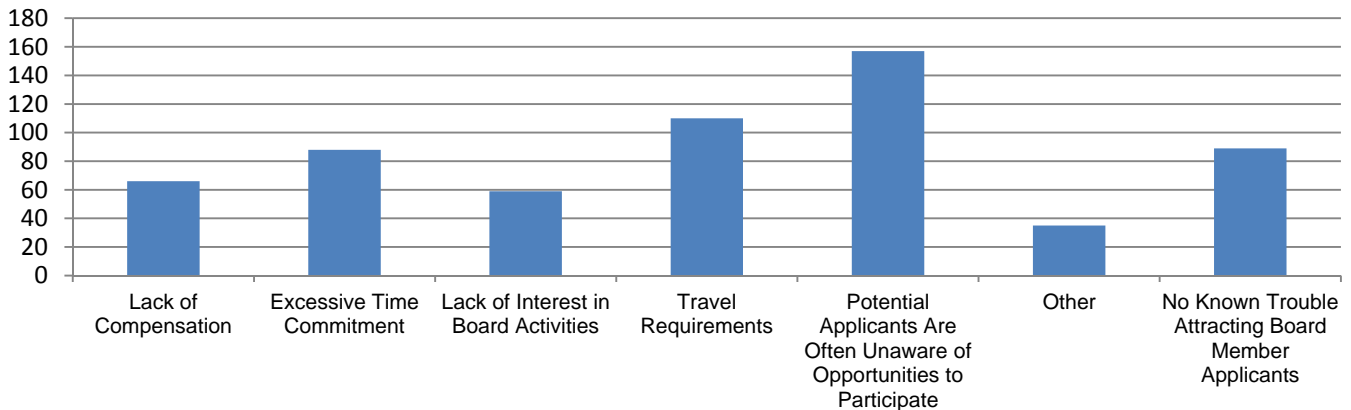
<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Yes	309	90%
No	18	5%
No Opinion	18	5%
<b>Total Respondents</b>	<b>345</b>	<b>100%</b>

**Effectiveness of Existing Regulations**



5. If applicable, what are the main reason(s) the board has difficulty attracting new board member applicants?

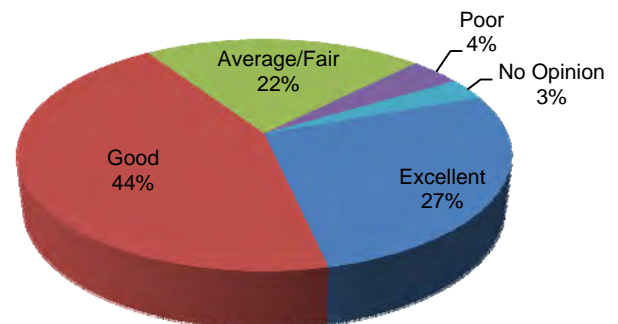
**Board's Difficulty Attracting New Members**



6. How would you rate your overall experience in applying for or maintaining professional licensure?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Excellent	93	27%
Good	154	44%
Average/Fair	75	22%
Poor	13	4%
No Opinion	10	3%
<b>Total Respondents</b>	<b>345</b>	<b>100%</b>

**Licensure Application Experience**



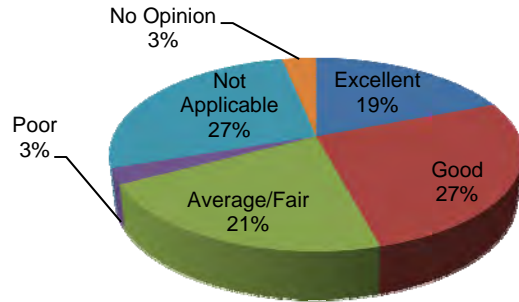
**Appendix A**  
(Continued)

**Licensed Physical and Occupational Therapists and Assistants  
Survey Results**

7. How would you rate the board's responsiveness to your questions or concerns?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Excellent	66	19%
Good	92	27%
Average/Fair	74	21%
Poor	9	3%
Not Applicable	93	27%
No Opinion	11	3%
<b>Total Respondents</b>	<b>345</b>	<b>100%</b>

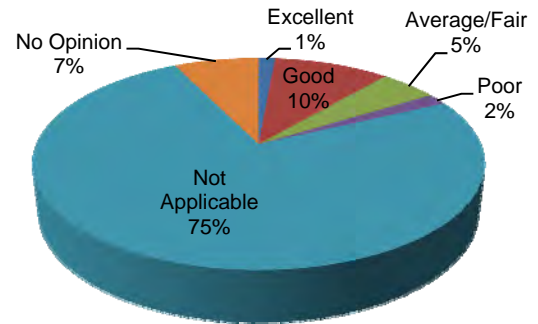
**Board's Responsiveness**



8. If you were required to take an examination for licensure in the last four years, how would you rate the board's administration of testing procedures?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Excellent	5	1%
Good	34	10%
Average/Fair	17	5%
Poor	6	2%
Not Applicable	258	75%
No Opinion	25	7%
<b>Total Respondents</b>	<b>345</b>	<b>100%</b>

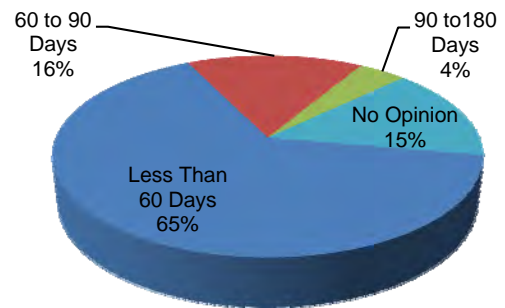
**Board's Testing Administration**



9. What was the approximate length of time from the submission of your application (new or renewal) to the board's ultimate decision?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Less Than 60 Days	225	65%
60 to 90 days	55	16%
90 to 180 Days	15	4%
No Opinion	50	15%
<b>Total Respondents</b>	<b>345</b>	<b>100%</b>

**Timeframe for Licensure Decisions**



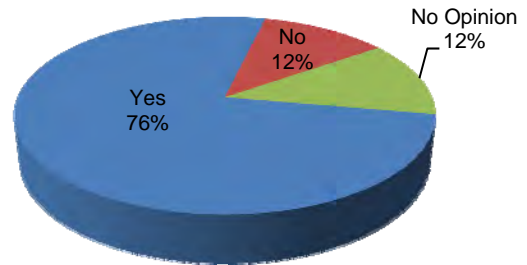
**Appendix A**  
(Continued)

**Licensed Physical and Occupational Therapists and Assistants  
Survey Results**

10. Do you believe this timeframe was reasonable?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Yes	262	76%
No	40	12%
No Opinion	43	12%
Total Respondents	345	100%

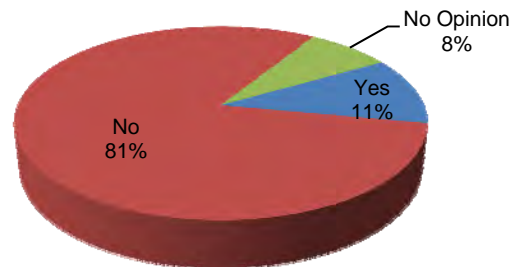
**Timeframe Reasonableness**



11. Do current licensing requirements create any unnecessary barriers to entry?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Yes	39	11%
No	279	81%
No Opinion	27	8%
Total Respondents	345	100%

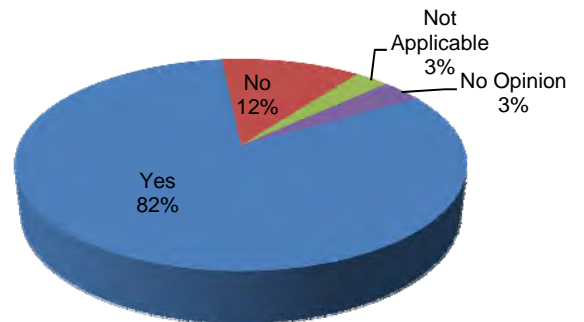
**Licensing Barriers to Entering Profession**



12. Do you believe annual dues/fees are reasonable?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Yes	282	82%
No	41	12%
Not Applicable	10	3%
No Opinion	12	3%
Total Respondents	345	100%

**Dues and Fees Reasonableness**



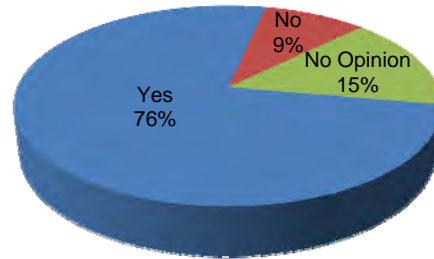
**Appendix A**  
(Continued)

**Licensed Physical and Occupational Therapists and Assistants  
Survey Results**

13. Do you believe the composition of the board is a reasonable representation of your profession?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Yes	261	76%
No	32	9%
No Opinion	52	15%
Total Respondents	345	100%

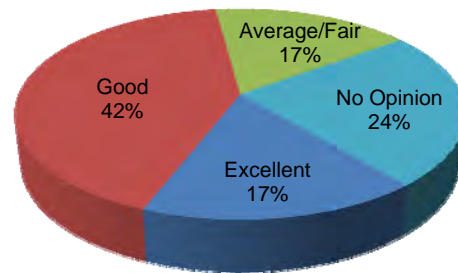
**Board's Representation of Profession**



14. How would you rate board members' knowledge and understanding of the profession?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Excellent	59	17%
Good	146	42%
Average/Fair	59	17%
No Opinion	81	24%
Total Respondents	345	100%

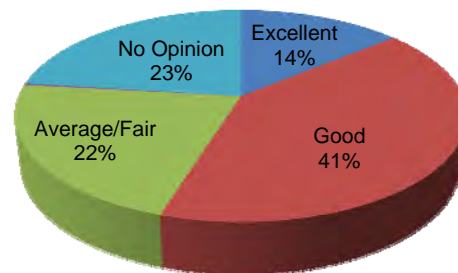
**Board Members' Knowledge**



15. How would you rate the board's performance in addressing important issues?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Excellent	46	14%
Good	142	41%
Average/Fair	76	22%
Poor	1	0%
No Opinion	80	23%
Total Respondents	345	100%

**Board's Performance Addressing Issues**



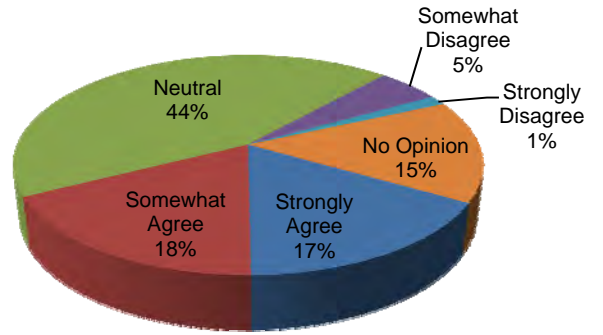
**Appendix A**  
(Continued)

**Licensed Physical and Occupational Therapists and Assistants  
Survey Results**

16. Does the board maintain a good working relationship with members of the profession?

<b>Response</b>	<b>Number of Responses</b>	<b>Percentage of Total Responses</b>
Strongly Agree	57	17%
Somewhat Agree	61	18%
Neutral	152	44%
Somewhat Disagree	18	5%
Strongly Disagree	5	1%
No Opinion	52	15%
Total Respondents	345	100%

**Board's Relationship with Therapists**







THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Commerce, Community,  
and Economic Development

OFFICE OF THE COMMISSIONER

P.O. Box 110800  
Juneau, Alaska 99811-0800  
Main: 907.465.2500  
Programs fax: 907.465.5442

September 11, 2013

Ms. Kris Curtis, CPA, CISA  
Legislative Auditor  
Alaska State Legislature  
Legislative Budget and Audit Committee  
Division of Legislative Audit  
P.O. Box 113300  
Juneau, AK 99811-3300

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SEP 11 2013

LEGISLATIVE AUDIT

RE: Preliminary Audit Report Department of Commerce, Community, and Economic Development, State Physical Therapy and Occupational Therapy Board, June 17, 2013.

Dear Ms. Curtis:

Thank you for the opportunity to respond to the auditor's conclusion and recommendation regarding the sunset review of the State Physical Therapy and Occupational Therapy Board. The Division of Corporations, Business and Professional Licensing (DCBPL) concurs with the report conclusion that the board's termination date should be extended to June 30, 2022. Our comments on the sole audit recommendation is provided below.

Recommendation No. 1

DCBPL's director should continue efforts to improve this investigative case management system's integrity and confidentiality.

The department concurs with this recommendation. As noted in the audit report, DCBPL has taken action to address deficiencies and improve the investigative case management system's efficiency and reliability in several areas. The division will continue these efforts through the rest of FY14.

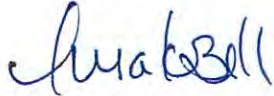
Ms. Kris Curtis, CPA,CISA

September 11, 2013

Page 2

Again, thank you for the opportunity to respond to the report conclusion and recommendations. If you have any additional questions, please contact me at 907-465-2500.

Regards,

A handwritten signature in blue ink that reads "Susan K. Bell". The signature is written in a cursive style with a large, stylized "S" and "B".

Susan K. Bell  
Commissioner

Cc: Don Habeger, Director CBPL  
JoEllen Hanrahan, Director ASD



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SEP 04 2013

Kris Curtis, CPA, CISA  
Legislative Auditor  
Legislative Budget and Audit Committee  
P.O. Box 113300  
Juneau, AK 99811-3300

LEGISLATIVE AUDIT

August 29, 2013

Kathleen Lind  
Chair  
State Physical Therapy and  
Occupational Therapy Board

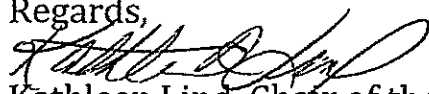
Dear Ms. Curtis:

In response to your audit report and recommendations, I am very pleased with the results. I agree with your findings and feel that as a board we serve an important role in protection of the public, by insuring the licensing of only qualified physical and occupational therapists.

In the conclusion your recommendations that the software upgrades be made in the investigative case management system does not appear to be in the purview of the board. It is my understanding the Division of Corporations, Business and Professional Licensing investigative unit that reviews application-legal investigations is very busy, covering multiple professional licensing groups. Deficits in their case management systems will be felt throughout all the licensed professions. This is an area that we do not control.-Our contact, other than to receive investigative questions or results on files for licensees is not directly related to the technology programs investigations function under.

Your time and effort to insure the continued existence of the Physical and Occupational Therapy board is most appreciated.

Regards,



Kathleen Lind, Chair of the Board of Physical Therapy And Occupational Therapy

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