

**Oregon Physical Therapist Licensing Board
Board Meeting
November 03, 2006**

MINUTES

Friday, November 03, 2006

Board Members Present: Jerry Nickell, PT, Chair; Joana Freedman, PT, Vice Chair; Steve Alstot, PT; Jason Fiske, PT; Daiva Banaitis, PT, PhD; Nancy Wilson, PTA

Board Members Absent: Cindy Cunningham, Public Member

Staff: James Heider, Executive Director; Sherri Paru, PT, Clinical Advisor/Investigator; Mindy Tucker, Contract Investigator

Legal Counsel: Carol Parks, AAG

PUBLIC (OPEN) SESSION

Chair Nickell called the meeting to Order in Public Session at 8:30 AM. The public and interested parties are invited to attend this portion of the meeting. The Public Session is digitally recorded and stored electronically on the Board's file server. Audio copies are available to the public or interested parties for the administrative cost to reproduce the audio file.

Therapists in an Educational Setting Administrative Rule Committee Presentation

Diana Godwin, Attorney at Law, Committee Member, presented, to the Board, updates to the proposed rule changes which were originally presented to the Board at its September 12, 2006 Board Meeting (see attachment P-2). The update included drafted language and encompassed all changes the Board had requested. Upon review and deliberation, the Board voted to proceed with the Draft as presented. The Board instructed the Executive Director to initiate the rule making process by posting a Proposed Notice of Rule Making Hearing. The Board agreed that the Hearing date would be set for Thursday, January 04, 2007, at 4:30 PM. The location of the Hearing will be the Portland State Office Building, Room 445. The Hearing Notice and the drafted language will be published in the Boards December Newsletter and will be posted on the Board Website.

Question From Glen Akers, PT - re: "drawings" and bonuses for patients

After Board review and consideration, the Board determined that offering a drawing or bonus prizes, to encourage patients to keep their scheduled physical therapy appointments, would not be a legal or ethical violation of Board Statute or Rule.

DHS Joint Statement on Pain Management

After Board review and consideration, the Board voted to declare its support of the Oregon Pain Management Commission's Joint Statement on Pain Management. The Board instructed the Executive Director to sign the Declaration of Support, as presented by the Department of Human Services.

Board Financial Report – First Fiscal Quarter Period July 1, 2006 through September 30, 2006

The Executive Director presented, to the Board, a Financial Report and Narrative covering first fiscal quarter 07/01/06 through 09/30/06. (See attachment P-5)

Question From APTA - re: approval for CEU credit for clinical residency program

After Board review and consideration, the Board agreed to approve the eligibility of the APTA Clinical Residency Program for continuing education credit. In addition to the APTA Residency Program, the Board also approved the following residency programs for continuing education credit: AAOMPT, NAIOMT, Kaiser Permanente. Credit for these programs would be awarded one time, in the certification period when the program has been completed, and will count for a maximum of 24 CE for a PT.

Question From Kate Higgins, PT- re: approval for CEU credit for courses

After Board review and consideration, the Board agreed to approve the programs presented, by Ms. Higgins for continuing education credit. The Board noted that there is a fine distinction between these programs and a true In-Service program. The Board further determined that they would have to come up with specific language or a definition, of “In-Service”, to clearly identify those employer sponsored programs that will and will not count for continuing education credit.

Question From Cathy Zarosinski, PT - re: approval for CEU credit for courses

After Board review and consideration, the Board agreed to approve the programs presented by Ms. Zarosinski for continuing education credit. The Board noted that there is a fine distinction between these programs and a true In-Service program. The Board further determined that they would have to come up with specific language or a definition, of “In-Service”, to clearly identify those employer sponsored programs that will and will not count for continuing education credit.

Questions Regarding PT Providing Patient Education on Medications

After review and consideration, the Board determined that it is not within the scope of practice for a therapist to directly recommend, or sell, nutritional supplements to a patient, as part of their physical therapy program. Not being Pharmacists or Naturopaths, the Board is concerned that the therapist may not have enough information, or knowledge, with regards to possible adverse reactions, or side affects, a natural supplement may have. Further, the Board determined that it is also not in the scope of practice for a therapist to advise a patient with regards to their medications, i.e. dosing, whether to take or not to take, or whether to change medications. The therapist’s scope does include; the education and recognition of possible side affects and adverse reactions; and, the referral back to the prescribing physician or to the patient’s primary care physician.

General Topics/Business

New file server: Suite 407 Health Related Licensing Boards invested in a new file server to enable the Boards to post all public records on-line, on-line renewals and update to the verification screens to online real time updates. The PT Board’s share of the cost is \$1,500.

New license print program: The new license has been updated and is in the process of being produced. The new format will allow the Board to change its print program. The plan is to remove the Licensee's address from the front of the license (to be publicly posted) and print it on the second copy only. Although a public record, the intent of the change is to protect the Licensee's privacy, with regards to their mailing address, since most of the Licensee's mailing addresses are the same as their residential address.

2007-2008 renewals: The Executive Director reported, to the Board, that the 2007-2008 license renewal project is on target. Forms are updated and scheduled for printing in December, and mailing the first week in January 2007.

Future Board Meeting Dates

As established by the Board, the future Board meeting dates are as follows: January 05, 2007; March 02, 2007; April 27, 2007; June 22, 2007; August 17, 2007; October 05, 2007; November 30, 2007. Meeting dates, Notices, and published Minutes may be found on the Board website at www.ptboard.state.or.us.

Ratification of PT/PTA Licenses & Temporary Permits

The Board was presented a list, of new licensees, for the period of September 12, 2006 through November 02, 2006. The Chair opened the floor, for discussion, with regards to the new licensees. Without noted discussion, the Board voted unanimously to ratify the new licensees and permit holders for the above-noted period.

Approval of Meeting Minutes

The Minutes, from the September 12, 2006 Board Meeting, were presented to the Board. The Chair opened the floor for discussion and comments. With no noted changes, the Minutes were approved as written.

FCCPT Retro Course Work Tools

The Executive Director presented the Board with a summary of the Federation of State Boards of Physical Therapy's (FSBPT) Course Work Tool (CWT), including the new Retro CWTs. Board Statute and Rule requires that all foreign-educated physical therapists seeking licensure, in the State of Oregon, have their PT programs credentialed to ensure that the program is "substantially equivalent to the education of physical therapists, who graduated from accredited physical therapy education programs, approved by the Board". The Executive Director asked the Board: 1) If they wanted to formally acknowledge the CWT, as the measurement for foreign-educated therapists educational equivalency to that of a therapist completing a CAPTE accredited US program, including the use of the retro CWTs (where appropriate); and, 2) If they would approve a Rule Amendment to OAR 848-010-0015(3) to point to the CWT, as the required credentialing document, as opposed to the current Rule that lists all the specific individual elements and requirements of the CWT. The logic behind this request is, if a CWT is updated, which occurs every couple of years, the Board will not have to go through the rule making process to update the specific language as listed. After discussion and consideration, the Board approved the use of the FSBPT CWT, including the use of the Retro CWTs (where appropriate) as the measurement for educational equivalency of foreign-educated PTs. The Board also approved the Amendment to the current Administrative Rules, pointing to the CWTs, in general, as the credentialing requirement.

EXECUTIVE (CLOSED) SESSION

Citing ORS 192.660(2)(k), at 10:28 AM, Board Chair, Jerry Nickell convened the Board into Executive Session. Pursuant to ORS 192.660(2)(k), this portion, of the Meeting, is closed to the public.

In Executive Session, the Board reviewed investigatory information regarding current cases and new complaints. The Board also considered legal advisement, from Board Counsel, regarding investigative cases, pending contested case hearings, Administrative Rule making and Board Policy and Administration.

The closed door Executive Session is digitally recorded and stored electronically on the Board's file server.

PUBLIC (OPEN) SESSION

Upon completion of the Executive Session, Mr. Nickell brought the Board back into Public Session for Motions and additional business. The public and interested parties are invited to attend this portion of the meeting. The Public Session is digitally recorded and stored electronically on the Board's file server. Audio copies are available, to the public or interested parties, for the administrative cost to reproduce the audio file.

Board Motions

Case PT 202-8/05

Motion, by Jason Fiske, to ratify Addendum to Order for Evaluation.

Seconded by Joanna Freedman

Motion passed unanimously

Case PT 202-8/05

Motion, by Jason Fiske, to issue Emergency Suspension of License, pursuant to ORS 183.430(2), effective immediately.

Seconded by Joanna Freedman

Motion passed unanimously

Case PT 209-3/05

Motion, by Jason Fiske, to issue Notice of Proposed Disciplinary Action citing violations of: OAR 848-020-0040(1); OAR 848-020-0040(2)(c)(E); OAR 848-020-0050(2)(b)(c); OAR 848-020-0010(1)(2); and, OAR 848-040-0105(3); impose a probationary period of 2 years, with conditions; and, a civil penalty of \$3,000.00 with \$1,500.00 stayed, if terms and conditions of probation are met. Conditions of probation include: the training and submission, to the Board, of full training records for all Aides currently working at Licensee's facility, the records must be submitted within 30 days of the Notice, and the Licensee must remain free of any further Board violations during the 2-year term of probation. Additionally, the Board will issue an Advisory Letter for potential violations of OAR 848-040-0125(1) and OAR 848-040-0135(1).

Seconded by Joanna Freedman

Motion passed unanimously

Case PT 185-2/05

Motion, by Jason Fiske, to issue Notice of Proposed Disciplinary Action citing violations of: OAR 848-020-0040(2)(E); OAR 848-020-0060(10); OAR 848-020-0060(8); OAR 848-040-0145(1); OAR 848-040-0155(1)(2)(3); OAR 848-040-0145(3); and, OAR 848-040-0110(5); imposed a probationary period of 2 years; and, a civil penalty of \$5,000.00.

Seconded by Joanna Freedman

Motion passed unanimously

Case PT 185b-2/05

Motion, by Jason Fiske, to issue Notice of Proposed Disciplinary Action citing violations of: OAR 848-020-0060(10); OAR 848-020-0060(8); OAR 848-040-0145(1); impose a civil penalty of \$500.00.

Seconded by Joanna Freedman

Motion passed unanimously

Case PT 185c-2/05

Motion, by Jason Fiske, to issue Advisory Letter citing violation of OAR 848-040-0110(5).

Seconded by Joanna Freedman

Motion passed unanimously

Case PT 185d-2/05

Motion, by Jason Fiske, to issue Advisory Letter citing violation of OAR 848-020-0060(10).

Seconded by Joanna Freedman

Motion passed unanimously

Case PT 224-9/06

Motion, by Jason Fiske, to issue Advisory Letter citing OAR 848-045-0020(2)(a).

Seconded by Joanna Freedman

Motion passed unanimously

Case PT 225-9/06

Motion, by Jason Fiske, to issue Advisory Letter citing OAR 848-045-0020(2)(a).

Seconded by Joanna Freedman

Motion passed unanimously

Rules Advisory Committee Recommendations

Motion, by Jason Fiske, to accept the revisions to the proposed rule changes, as submitted by the Rules Advisory Committee, and move forward with the rule making process, by scheduling a Rule Making Hearing.

Seconded by Joanna Freedman

Motion passed unanimously

Oregon Pain Management Commission

Motion, by Jason Fiske, to execute the Declaration of Support as presented, to the Board, by the Oregon Department of Human Services.

Seconded by Joanna Freedman

Motion passed unanimously

Other New Business

The Executive Director reported, to the Board, that the Board had received several compliments with regards to the Board community outreach, particularly regarding the most recent presentation Sherri did at the OPTA Business Meeting.

The Executive Director reported, to the Board, that Nancy Wilson, PTA Board Member, has been appointed to a second, four-year term with the Board. Nancy's latest term will extend from 09/10/06 through 09/09/10.

The Executive Director reported, to the Board, that the Board is now a member of the State's Flexcar program, and that the Board staff will start using Flexcar services for Board business travel.

The Executive Director reported, to the Board, that Board staff, in partnership with the FSBPT, has completed the Historic Test Scores Data Capture Project. This project took all old paper historic records, of licensee exam scores, and has made an electronic record of the scores. At the beginning of the project, the Oregon Board's percentage of matched exam scores to all licensees, current and past was 10%. Following the completion of the project, the Board's percentage of matched exam scores is now at 70%. The FSBPT funded the implementation and completion of this project.

With no additional other new business cited, Board Chair, Mr. Nickell, adjourned the Board Meeting at 3:05 PM.

NOTE: To review this document in its entirety, see Attachments P-2 and P-5 below.

Attachment P-2

**RECOMMENDATIONS OF THE RULES ADVISORY COMMITTEE
REGARDING THERAPISTS IN A SCHOOL SETTING
Revised Per PT Board Suggestions of 9/12/06**

DIVISION	RULE	SUMMARY OF PROPOSED RULE AMENDMENTS OR ADDITIONS (Note: New language to be added is <u>underlined</u> and existing language to be deleted is in [brackets] and <i>[italics]</i>.)
Division 1	No Changes Proposed (See note below)	
Division 5	No Changes Proposed	
Division 10	No Changes Proposed (See note below)	
Division 15	848-015-0010	Add new subsection (3) to define the term "patient", including in the definition, a student in a school setting, a child receiving early intervention services, a resident of a care facility, or an animal.
	848-015-0020(1), (2) & (3)	<p>Amend to read as follows:</p> <p>(1) <u>For purposes of the provision of physical therapy services</u> a physical therapist assistant shall practice solely under the <u>clinical</u> supervision and direction of a physical therapist.</p> <p>(2) A physical therapist assistant may provide <u>physical therapy</u> treatment only when a supervising physical therapist is available. As used in this rule "available" means that at all times a supervising physical therapist is readily accessible for consultation with the assistant, either in person or by means of telecommunications.</p> <p>(3) A physical therapist assistant may provide <u>physical therapy</u> treatment only after a physical</p>

		therapist has performed an initial evaluation and prepared a plan of care. <u>"Plan of care" may include the individualized family services plan ("IFSP") or in a school setting, "plan of care" may include the individualized education plan ("IEP") for the student.</u>
	848-015-0020	Add new subsection (6) as follows: <u>A physical therapist assistant may provide limited services to a student in a school setting before a physical therapist performs the initial evaluation or a re-assessment required by OAR 848-040-0155(1)(b). The services that may be provided are limited to coordinating with other persons and instructing a teacher or educational or instructional assistant or nursing aide in physical management techniques to insure that the student can access the classroom and related educational services in compliance with the student's IEP.</u>
Division 20	848-020-0000(1)	Amend to read as follows: (1) "Physical therapist aide" or "aide" means a person who is not licensed as a physical therapist or physical therapist assistant, who aids a physical therapist or physical therapist assistant by performing treatment-related tasks or by performing non-treatment, patient-related tasks. <u>Although they may be providing services to a patient pursuant to direction or instruction from a physical therapist or physical therapist assistant, the following persons are not considered physical therapist aides:</u> <u>(a) educational or instructional aides or assistants working in a school setting; and</u> <u>(b) nurses aides, restorative aides or personal care assistants.</u> Persons performing facility maintenance, equipment assembly and maintenance, housekeeping, clerical, or other similar tasks are not considered aides.
Division 40	848-040-0100	Update and add new definitions to this section for "patient", "plan of care", IEP, IFSP, "record", "permanent record", "screening", "monitor" and "student".
	848-040-0110(1)	Change "an" to "and" to correct typographical error
	848-040-0110(3)	Re-order to be subsection (2) and amend to read: <u>[(3)] (2) [The] A record shall be prepared on the date [of] a physical therapy service is provided.</u>
	848-040-0110(2)	Re-order to be subsection (3) and amend to read: <u>[(2)] (3) The permanent record shall contain information for every physical therapy service</u>

		provided, the date the service was provided and the date the entry was made in the record. <u>The permanent record of a physical therapy service shall be prepared within seven calendar days of the date the service was provided.</u>
	848-040-0110(4)	Delete subsection (4) because it is redundant and re-number remaining subsections.
	848-040-0110(6) (re-numbered as (5))	Amend to read as follows: [(6)] (5) Non-licensees, including <u>physical therapist aides</u> , may prepare <u>physical therapy</u> treatment-related entries for the <u>permanent</u> patient record for authentication by the treating licensee. The requirement for authentication shall not apply to records not related to treatment.
	848-040-0110 new (6)	Add a new subsection (6) to read as follows: <u>(6) The permanent record of a patient treated by a licensee may also include entries or information of services provided by non-licensees, such as persons who are members of a student's IEP/IFSP team or persons providing early intervention services to a pre-school age child. The requirement for authentication shall not apply to such entries or information.</u>
	848-040-0110(7)	Amend to read as follows: (7) Either the permanent record or [the] <u>a</u> record prepared on the date of service shall be readily accessible to a licensee prior to when that licensee provides subsequent treatment to the patient. <u>"Readily accessible" means the authenticating licensee is able to produce the record immediately upon request.</u>
	848-040-0110(8)	Amend to read as follows: (8) All entries shall be legible and <u>permanent</u> handwritten records shall be in ink.
	848-040-0110(10)	Amend to read as follows: (10) When an error in [a] <u>the permanent</u> record is discovered, the error shall be identified and corrected. The erroneous entry shall be crossed out, dated and initialed or otherwise identified as an error in an equivalent written manner by the author of the erroneous entry.
	848-040-0110(11)	Amend to read as follows: (11) Late entries or additions to entries <u>in the permanent record</u> shall be documented when the omission is discovered <u>or addendum made</u> with the following written at the beginning of the entry: "late entry for (date)" or "addendum for (date)" and authenticated;

	848-040-117(3)(a)	<p>Amend to read as follows:</p> <p>(3)(a) The individual is a child or a student eligible for special education, as defined by state or federal law, <u>or eligible under Section 504 of the federal Rehabilitation Act of 1973</u>, and is being seen pursuant to the child's or the student's individual education plan, individual family service plan, or 504 plan;</p>
	848-040-0125(1), (2) & (3)	<p>Amend to read as follows:</p> <p>(1) Prior to initiating the first physical therapy treatment, a physical therapist shall perform an initial evaluation of each patient and determine a plan of care as provided in OAR 848-040-0135. <u>A physical therapist may provide screening services for a person prior to an initial evaluation and such service shall not constitute the initiation of physical therapy treatment for purposes of this section.</u></p> <p>(2) In the course of performing an initial evaluation the physical therapist shall examine the patient, obtain a history, perform relevant system reviews, assess the patient's functional status, select and administer specific tests and measurements and formulate clinical judgments regarding the patient. <u>A physical therapist may incorporate by reference medical history or system review information about the patient prepared by another licensed health care provider.</u></p> <p>(3) Only a physical therapist may perform an initial evaluation. A physical therapist shall not delegate the performance of an initial evaluation to a physical therapist assistant or to an aide. (No Changes)</p>
	848-040-0130(4), (5) & (9)	<p>Amend subsections (4), (5) and (9) to read as follows:</p> <p>(4) Pertinent medical <u>or physical therapy</u> diagnoses, medications if not otherwise accessible in another part of the patient's medical record, history of presenting problem and current complaints and symptoms, including onset date;</p> <p>(5) Prior or concurrent services related to the <u>[present episode of physical therapy care] provision of physical therapy services;</u></p> <p>(9) Patient's goals (with family input <u>or family goals</u>, if appropriate). <u>Goals may be as provided in an applicable IEP or IFSP.</u></p>

	848-040-0135(1), (3) & (5)	<p>Amend subsections (1), (3) and (5) to read as follows:</p> <p>(1) Prior to initiation of treatment, <i>[the physical therapist who performed the initial evaluation shall determine]</i> a <u>physical therapy</u> plan of care for the patient <u>shall be determined by a physical therapist.</u></p> <p>(3) <i>[The]</i> <u>A</u> physical therapist shall identify appropriate treatment tasks to be delegated to a physical therapist assistant or aide.</p> <p>(5) <i>[The]</i> <u>A</u> physical therapist shall make modifications to the plan of care any time there are significant changes in the patient's condition or status that would affect the physical therapy goals.</p>
	848-040-0145(3)	<p>Amend to read as follows:</p> <p>(3) <u>Except as provided in OAR 848-015-0020(6)</u>, a physical therapist or physical therapist assistant shall not continue to provide treatment to a patient unless a reassessment has been performed when required by OAR 848-040-0155.</p>
	848-040-0155(1) & (2)	<p>Reverse the order of existing subsections (1) and (2) and further amend them to read:</p> <p><i>[(2)]</i> <u>(1) A physical therapist shall perform a reassessment for each patient.</u> In the course of performing the required reassessment, the physical therapist shall <u>personally</u> examine the patient, assess the patient's functional status, select and administer specific tests and measurements, and formulate clinical judgments regarding the patient.</p> <p><i>[(1)]</i> <u>(2) A physical therapist shall perform a reassessment for each patient:</u></p> <p>(a) At least every 30 days, or at every visit if the patient is seen less frequently;</p> <p>(b) <i>[At least every 60 days if the patient is being treated in an educational setting; or]</i> <u>At least every 60 school days if the student/child is being treated in an educational setting or at the physical therapist's next scheduled visit with the student/child if the scheduled visit is less frequent;</u> <u>or</u></p>

NOTE:

In addition to the rule changes suggested by the current Advisory Committee, there are several "administrative" rule changes that need to be made. They are:

848-001-0010 **Time for Requesting a Contested Case Hearing**

A request for a contested case hearing must be in writing and must be received by the Board within twenty-one (21) days from the date the *[contested case notice]* proposed notice of disciplinary action was served.

848-010-0015 **Examinations**

Amend subsections (3)(b)(C) to read as follows:

(C) Verification that the applicant has achieved the following minimum scores for each category of the new internet based TOEFL (ibTOEFL) examination: writing, 24; speaking, 26; reading, *[18]* 21; listening *[21]* 18; with an overall score of not less than 89.

848-010-0033 Yearly **Renewal of License Required**

Add a new subsection (6) to read as follows:

(6) Each currently licensed physical therapist and physical therapist assistant must complete the continuing education as provided in Division 35 of these new rules by March 31st of each even-numbered year.

848-010-0035 **Renewal of Lapsed Licenses**

Amend subsection (1) to read as follows:

(1) Any license that is not renewed before April 1 of each year shall automatically lapse. No person whose license has lapsed shall practice until the license is renewed. Failure to receive a renewal notice shall not excuse any licensee from the requirements of renewal. The Board may renew any lapsed license upon payment of all past unpaid renewal and delinquent fees, and documentation of completion of the continuing education requirements for the prior certification period as provided in Division 35 of these rules.

Attachment P-5

November 03, 2006 Board Meeting Financial Report Narrative Reporting Period 07/01/06 – 09/30/06

Total Income is under budget by \$54,882

The Board's accounting system is on an accrual basis. When accounting on an accrual basis, instead of accounting for the actual receipt or disbursement of large income and expense items, as they occur, you spread that income or expense equitably over the entire accounting period, in this case 12 months, 7/1/06-6/30/07.

The Board's projected income for the fiscal year '06-'07 is budgeted at \$339,400. This is accrued at \$28,282/month (\$84,852 to 09/30/06). Actual income booked to 09/30/06 equals \$29,970; this creates an income deficit of (\$54,882). The vast majority of that income will actually be received during the renewal cycle, Jan-Mar '07.

This is not an item for concern at this point.

Total Expense is over budget by \$9,083

5100 Payroll Costs are **(\$7,465)** under budget as a combination of several expense factors:

Expense Classification	Over Budget	Under Budget
Salaries		(\$5,986)
Board Stipends		(\$990)
Payroll Taxes		(\$492)
PEBB Medical Premiums		(\$289)
PERS Employer Admin		(\$120)
PERS Bond Debt Obligation		(\$18)
Employee Training	\$270	
PERS ER Paid EE Contrib	\$160	

Narrative: Salaries are under budget by **(\$5,986)** due primarily to the reclassification of the part time investigator from a budgeted hourly employee status to a contracted employee; Board stipends are below projected amount by **(\$990)** due to a change in Board Statute lowering the budgeted per member stipend from \$100/mtg to \$30/mtg; payroll taxes are a direct product of salaries paid, taxes are under budget by **(\$492)** due primarily to the application of the FICA rate of 7.65% to the lower than budgeted salaries; healthcare expense is down by **(\$289)** insignificant amount; PERS ER Admin rates are lower than forecasted by **(\$120)** insignificant amount; PERS Debt Obligation Bond Repayment totals are under budget by **(\$18)** insignificant amount; employee

training expense is higher than projected amounts by **\$270** insignificant amount; and, PERS EE Contribution paid by the Board are higher than forecasted by **\$160** insignificant amount.

5600 Travel Cost is **\$206** over budget.

This is an insignificant amount; however, the primary expense associated this year with travel is reimbursement of mileage, meals and lodging to Board members for meetings. This expense class will continue to be over budget throughout 2006-2007 fiscal year due to the addition of another Board member living outside the local area necessitating air travel and lodging to attend Board meetings.

6100 General Office Expenses are **(\$748)** under budget as a combination of several expense factors:

Expense Classification	Over Budget	Under Budget
Printing/Copying		(\$1,378)
Bank charges/Fees		(\$756)
Parking Validation Stickers		(\$450)
Telecommunications		(\$269)
Other		(\$150)
Copier		(\$66)
Fax/Conf Room Phone		(\$60)
Liability Insurance	\$2,300	
Office Supplies	\$62	
Board Meeting Expenses	\$20	

Narrative: Printing and copying is under budget, by **(\$1,378)**, this is an accrual timing issue, although the expense is budget equitably throughout the fiscal year the primary expense incurred for printing and copying will occur in preparation for renewals and printing of the fall and spring newsletters; the only other item in general office expenses needing explanation is liability insurance which shows over budget by **\$2,300**, this also is a product of accrual accounting, the payment for our liability insurance was \$2,900 paid in July '06 the Board is accruing at a rate of \$200 per month for this expense, at the end of the fiscal year, the account will be \$500 over the budgeted amount, this is due to the unanticipated increase in the liability pool premiums.

6190 Dues and Subscriptions are **(\$581)** under budget.

This is a matter of accrual timing \$2,500 expense will be incurred in October '06 showing a deficit which will be made up by the end of the fiscal year '07.

6200 Postage is **(\$2,457)** under budget.

This is a matter of accrual timing and this amount will be used up by the end of the fiscal year.

6400 Contracted Services are **\$16,129** over budget as a combination of several expense factors:

Expense Classification	Over Budget	Under Budget
Computer Support		(\$1,575)
Emp Hearing Officer Panel		(\$889)
CPA Accounting Fees		(\$300)
Payroll Service Charges		(\$63)
Attorney General Fees	\$9,921	
Investigators Fee	\$4,338	
Audit Charges	\$4,132	
Other Services	\$565	

Narrative: Computer Support is under budget by **(\$1,575)** due to a recognized savings in the change of service vendors; the fees for Employment Hearing Office are under budget by **(\$889)** this is a matter of accrual timing, it is anticipated that this amount, and more, will be used up by the end of the fiscal year; the fees for CPA were budgeted at **(\$300)**, however, the Board has not had to use CPA service/advisement for the past 9 months; Attorney General Fees are over budget by **\$9,921**, due primarily to increased usage attributed to the complexity of several cases, one which recently settled with a negotiated Stipulated Agreement, one pending hearing in March of '07 and the other requiring frequent advisement and legal intervention; Investigator fees are over budget by **\$4,338** due to the reclassification of the Board's part time investigator from an hourly employee to a Contract Investigator; Audit Charges are over budget by **\$4,132** because the mandated financial audit scheduled and budgeted for fall of 2005 was not conducted until May of '06 and invoiced in July '06; Other Services are over budget by **\$565**, this is part of the cost for movers and electrical for the remodeled and additional space originally budgeted for in 2003.

Rent and Occupancy is **(\$364)** under budget

Although the remodel and new space is complete, DAS has not yet increased the Boards monthly rent expense to account for the extra square footage.

6600 Background Checks are **\$4,900** over budget.

This expense was inadvertently not accrued in the 2005/2007 Biennium. At the end of 2004, exam and endorsement application fees were raised, by the actual cost of the background check, to cover the cost previously incurred by the Board. The strategy was that, when incurred, this expense would be a net from the increase in the corresponding application fee income. Generally Accepted Accounting Principles do not allow you to net an expense directly from an income account.

6650 Investigation Expenses are **(\$132)** under budget, insignificant amount.

6800 Computer & Accessories are **(\$405)** under budget, insignificant amount.

Future Budget Variance Concerns:

Income will be over projected amounts by approximately \$80,000 due to the raise in renewal fees for '06-'07. An increase in renewal fees was not anticipated until '07-'08 renewal. Because of the legislative change in the PT practice act, and the elimination of the fees associated with the Certificate to Practice Without Referral, the Board chose to raise its current renewal fees to make up the income deficit and to balance the current budget.

Salaries will be impacted next fiscal quarter by an old DAS charge on a class action settlement between the State of Oregon and several employees. The Board's initial portion of this charge relates to a former Executive Director who was part of the class action. This action was brought upon the State for misclassification of position and overtime wages. The Board's initial settlement amount is estimated at \$4,100, a second element of the settlement is pending State appeal. If the higher courts uphold the lower courts decision the settlement amount will be much larger but will fall under the Board's Risk Management coverage.

Travel expense will be higher than originally budgeted due to the addition of a new Board member who will be traveling across state to attend Board meetings.

Background checks will continue to be an issue for the Board for '06 and '07 fiscal years. This amount will be incurred, as an expense, and was not budgeted for as an expense. This non- budgeted amount will impact the Board's overall approved operating budget.

The move planned to relocate the Health Related Licensing Boards to the vacated Pharmacy location, paid for by the Nursing Board, was cancelled. The PT Board still had an original request for an additional office space to be used by the Board's Clinical Advisor and Investigator. To facilitate this move, the PT Board will have to pay for the physical costs of the move as originally planned in 2003. There was nothing budgeted for this move other than the new furniture and the additional square footage rental fees. This move was completed in August of '06, invoiced and paid for in October '06, it will appear as a variance on next quarter financials.

Although computer support charges and computer accessories are currently under budget, the Board should anticipate that, before the end of the '07 fiscal year, the numbers will exceed the budget by nearly \$5,000. This is to move forward with the Board directive to make all the Board public records available on-line. The Board chose to do this in the interest of public safety. To make this happen, the Board will need to purchase a dedicated file server (which is already on order) and pay for additional IT programming time, and there will be temporary salaries for use of outside help to scan documents into a PDF format.

Contracted Services continues to be an issue for this Board with regards to budget variance. This is truly a difficult expense class to anticipate and project. The cases the Board is currently investigating, and the case pending hearing, are very complex in nature and new territory with regard to prior Board case history. These cases are

taking huge amounts of the Board Investigators time and involvement by Board Legal Counsel. It is important to note that although the Board now has authority to recoup costs of an investigation, that statutory authority does not apply to these current cases which precede the new Statute. Also, keep in mind there is some question as to the limitation on the amount the Board may recoup in an investigative case. The Board may be limited, by Statute, to \$5,000. Over the course of the last three complicated cases, I can assure the Board that more than \$5,000 of Board resource and Legal Counsel can be attributed to each of these cases.

SEE INCOME AND EXPENSE STATEMENT NEXT PAGE BELOW

OREGON PT BOARD
INCOME AND EXPENSE STATEMENT
07/01/06 THROUGH 09/30/06

	<u>Jul - Sep</u> <u>06</u>	<u>Budget</u>	<u>Variance</u>
Ordinary Income/Expense			
Income			
4000 · Income	<u>29,970.00</u>	<u>84,852.00</u>	<u>-54,882.00</u>
Total Income	<u>29,970.00</u>	<u>84,852.00</u>	<u>-54,882.00</u>
Gross Profit	29,970.00	84,852.00	-54,882.00
Expense			
5100 · Payroll Costs	66,113.04	73,578.00	-7,464.96
5600 · Travel Costs	1,975.50	1,770.00	205.50
6100 · General Office Expenses	4,637.40	5,385.00	-747.60
6190 · Dues and Subscriptions	48.88	630.00	-581.12
6200 · Postage	542.51	3,000.00	-2,457.49
6400 · Contracted Services	25,813.28	9,684.00	16,129.28
6500 · Rent and Occupancy	3,236.40	3,600.00	-363.60
6600 · Background Checks	4,900.00	0.00	4,900.00
6650 · Investigation Expenses	18.00	150.00	-132.00
6800 · Computers & Accessories	<u>0.00</u>	<u>405.00</u>	<u>-405.00</u>
Total Expense	<u>107,285.01</u>	<u>98,202.00</u>	<u>9,083.01</u>
Net Ordinary Income	<u>-77,315.01</u>	<u>13,350.00</u>	<u>-63,965.01</u>
Net Income	<u><u>-77,315.01</u></u>	<u><u>13,350.00</u></u>	<u><u>-63,965.01</u></u>