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To: Kansas Special Committee on Mental Health Modernization and Reform

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Subject: Interstate Licensure Compacts

Dear Committee Members:

Thank you for the opportunity to present to the Kansas Special Committee on Mental Health Modernization and Reform. As follow-up for questions received after the presentation, this document provides background information, state examples and additional resources on interstate licensure compacts.

Please note that NCSL takes no position on state legislation or laws mentioned in linked material, nor does NCSL endorse any third-party publications; resources are cited for informational purposes only.

I hope this information is helpful. Please feel free to reach out with any additional questions.

Sincerely,

Jack Pitsor

Interstate Licensure Compacts Overview

Interstate compacts are agreement between two or more states on how to address a particular policy issue, adopt a certain standard or cooperate on regional or national matters. The Compacts Clause of the Constitution—Article I, Section 10, Clause 3—grants states the authority to enter into interstate agreements to achieve a common purpose.

Many states have leveraged interstate licensure compacts to address occupational licensing issues, particularly for certain health care providers. Interstate licensure compacts generally allow providers licensed in one member state to provide services to residents in other members states without having to seek multiple single state licenses. Since January 2016, 42 states and territories have enacted over 170 bills to join interstate licensure compacts for certain types of medical professionals.

Active and Emerging Interstate Licensure Compacts

There are currently six active interstate licensure compacts for different types of licensed health professions, which include:

- **The Interstate Medical Licensure Compact**
  - For physicians
  - Member states: 31 states, D.C. and Guam (Arizona and Wisconsin previously joined the compact, but the state conditionally repealed their state law or asked to withdraw).
- **The Nurses Licensure Compact**
  - For registered nurses and licensed practical nurses
  - Member states: 37 states and Guam
- **The Physical Therapy Compact**
  - For physical therapists
  - Member states: 33 states
- **The Psychology Interjurisdictional Compact**
  - For psychologists
  - Member states: 26 states and D.C.
- **The Audiology and Speech-Language Pathology Interstate Compact**
  - For audiologists and speech-language pathologists
  - Member states: 15 states
- **The Emergency Medical Services Personnel Licensure Interstate Compact**
  - For emergency medical services professionals
  - Member states: 21 states

Licensure compacts exist for other types of providers that are not yet active or still under development. For example, the Counseling Compact will become active when 10 states enact legislation to join. The Occupational Therapy Compact will also become active when 10 state enact legislation to join. The Advanced Practice Registered Nurse Compact will become active when seven states have enacted legislation to join. The independent organization/association group developing the model legislation determines the number of states that need to enact conforming legislation before the compact becomes active.

Beyond the above compacts, the Department of Defense is partnering with the Council of State Governments to fund and support the development of additional licensure compacts. These include compacts for social workers, dentists and dental hygienists, massage therapists, K-12

teachers, and cosmetologists and barbers. The Center for Connected Health Policy (CCHP) notes that a compact for marriage and family therapists is also in development.

Interstate Licensure Compacts and Medicare, Medicaid and Private Insurance Reimbursement

Recognizing the increasing number of states allowing out-of-state providers to use telehealth, the Centers for Medicare and Medicaid Services (CMS) clarified Medicare recognition of providers licensed through interstate licensure compacts. Through a Medicare Learning Network notice published in October 2021, CMS noted it will treat licenses through interstate compacts for physicians and non-physicians as valid, full licenses for the purpose of meeting federal licensing requirement.

After consulting with CCHP, neither NCSL nor CCHP are aware of state Medicaid programs treating compact licenses differently than in-state providers. Out-of-state providers would presumably go through the same process as in-state providers to become eligible for Medicaid reimbursement.

For private insurance reimbursement, PYSPACT legislative testimony states that, "As with face-to-face practice, the psychologist contacts the client's insurance carrier to ascertain what coverage is provided before initiating a session. Payment arrangements can then be discussed with the client based on the insurance carrier's verification."

Additional Interstate Telehealth Flexibilities for Behavioral Health Providers

Beyond the interstate licensure compacts for the behavioral health providers listed above, the follow are examples of states streamlining licensing for out-of-state behavioral health providers in other ways. These are in addition to the Arizona, Florida, New York, West Virginia and Utah examples included in the original presentation.

- **Connecticut** HB 5596 (Enacted 2021) extends until June 30, 2023 the flexibility allowing out-of-state providers—including alcohol and drug counselors, behavior analysts, clinical and master social workers, marital and family therapists, professional counselors, psychologists—to deliver services to in-state residents via telehealth. Out-of-state providers must 1) be appropriately licensed, certified or registered in another state, territory or D.C., 2) be authorized to practice telehealth under a relevant order issued by the department of public health and 3) have professional liability insurance in an

amount equal to that required for Connecticut health provider.

- **Tennessee** HB 967 (Enacted 2021) authorizes out-of-state providers—including licensed alcohol and drug abuse counselors or state-contracted crisis service providers—to provide services via telehealth on a volunteer basis for a free clinic.
- **Vermont** SB 117 (Enacted 2021) extends until March 31, 2022 the flexibility that out-of-state providers, including mental health professionals, can deliver services to in-state residents via telehealth. The law specifies that the provider deliver services as a volunteer member of the Medical Reserve Corp or on behalf of a health care facility or federally qualified health center.

Additional Resources

- The Telehealth Explainer Series: A Toolkit for State Legislatures (NCSL, July 2021)
- State Telehealth Policies (NCSL, July 2021)
- U.S. States and Territories Modifying Requirements for Telehealth in Response to COVID-19 (Federation of State Medical Boards, November 2021)