



**State of Vermont
Office of the Secretary of State**

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**Sarah Copeland Hanzas, Secretary of State
S. Lauren Hibbert, Deputy Secretary**

February 16, 2023

**To: Hon. Emilie Kornheiser, Chair
House Committee on Ways and Means**

From: S. Lauren Hibbert, Deputy Secretary of State

Re: Occupational Compacts

Dear Committee,

Thank you for the opportunity to testify about the interstate Counseling Compact, the Physical Therapy Compact, and the Audiology and Speech-Language Compact.

Occupational Compacts Overview

Compacts are an agreement or contract between states. There are many compacts in our lives. For example, consider the Driver License Compact (23 V.S.A. § 3901). In the driver's compact, a licensee from one state is allowed to drive in all other states.

Compacts are effective tools in occupational licensure. Compacts solve certain mobility challenges by allowing the licensee to practice in states in which they do not live, or immediately upon moving to new states. Compacts also enable telehealth across state lines when both states are compact members.

The concept of a "home state" is an essential component of most compacts. This state is where the licensee holds primary residence, votes, etc. Once an individual obtains a compact license from their home state, they are either 1) immediately authorized to practice in all other compact states, or 2) able to ask the compact commission for the authority to practice in another compact jurisdiction. In the latter case, there is sometimes a fee per additional jurisdiction. Accordingly, if a licensee changes their state of primary residence, they must then apply for a new compact license from their new home state.

Compacts generally reduce licensing revenues. Compacts reduce revenue by allowing non-resident professionals from compact member states to practice without first purchasing a Vermont state license. Given Vermont's small geographic size, and our highly populous neighbor states, it is easy for professionals to work in Vermont without living here. In nearly all OPR professions, the highest

population of non-resident licensees come from either New York, Massachusetts, or New Hampshire. When Vermont joins a compact, that profession's total state licensure decreases.

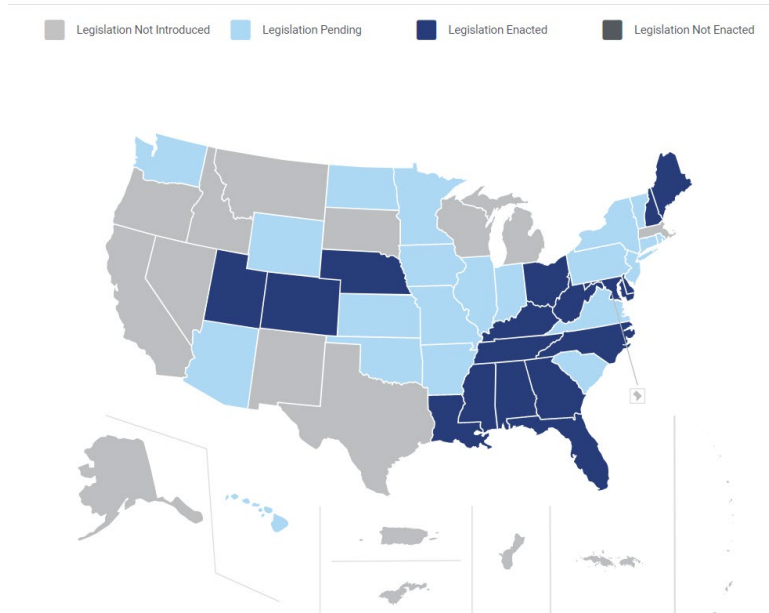
Compacts also affect the professional conduct enforcement process. While states retain jurisdiction over everyone who practices within their borders, compacts often mandate reciprocal discipline. Post-Dobbs, OPR is concerned by any compact provisions which require disciplinary reciprocity: the Office of Professional Regulation does not want to enter agreements that would require disciplining a Vermont licensee because they provided an abortion or gender-affirming care in another state.

Compacts impact enforcement expenses. Because Vermont retains jurisdiction over everyone who is practicing in Vermont—either physically or via telehealth—OPR will be investigating and prosecuting professionals who are not Vermont licensees. OPR, and the in-state licensees, will incur the full expense of these investigations and prosecutions without having received those individuals' licensing revenue.

Compacts require expensive IT modifications. Upon joining a compact, OPR must pay for system modifications to accommodate compact licensure. Depending on compact requirements, accounting for a non-resident compact licensee can consume more resources than an in-state licensee. For example, Osteopathic Physicians with compact licenses communicate directly with the IMLCC, not with OPR. For this compact, OPR staff must manually enter an IMLCC licensee's information into OPR's licensing system. By contrast, all Vermont state license applications are submitted by the applicants in OPR's online system. Any future compact engagements should consider whether the process can be automated.

Counseling Compact

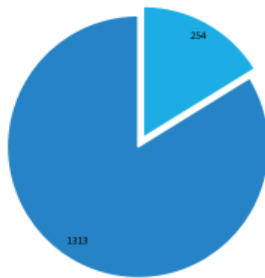
Developed by the Council of State Governments and its National Center for Interstate Compacts. CSG also developed the Audiology/SLP compact, OT compact, and PsyPact. The Counseling Compact has been adopted by 16 states so far, including New Hampshire and Maine. The commission is expected to be offering Counseling Compact privileges starting in late 2023 or early 2024.



Once the home-state license is obtained, the licensee may obtain a “privilege to practice” in other compact member states by notifying the Compact Commission which state the licensee wishes to work in and paying a (currently unknown) fee—part of which would go to the destination state and part of which would stay with the compact.

H.62 Mental Health Counselor Compact Analysis

Vermont Licensed LCMHC from Compact States



■ Compact States ■ Other States

Licensure Impact

- 16% of mental health counselors currently licensed in Vermont live in a compact state.
- Assumption that these 254 licensees would not renew if Vermont entered the compact.

Revenue Impact

- Applicants will pay a fee for a compact license, a portion of which will be passed through to the Vermont.

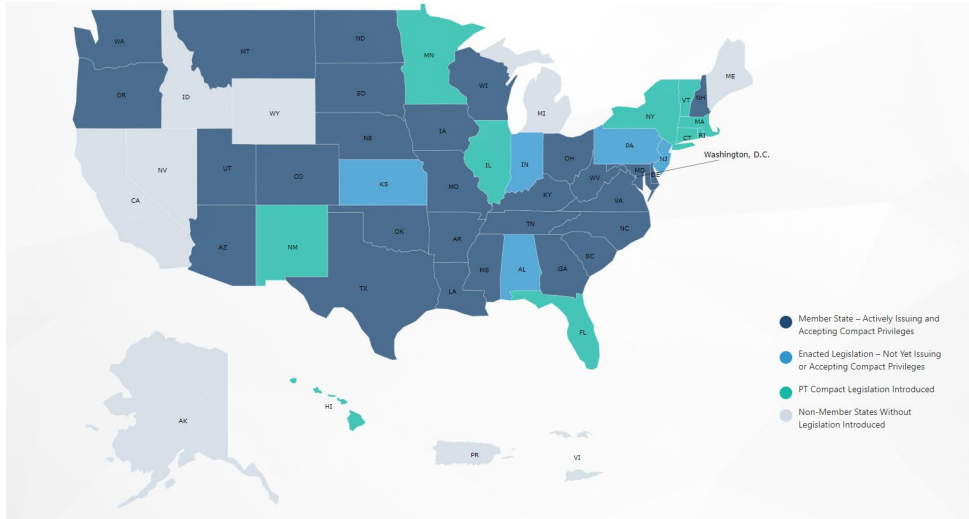
Vermont Fees	Application	Renewal	Estimates	Each Year
LCMHC	\$150	\$200	Revenue Loss	-\$50,800
			Revenue Gain	Unknown
			Net Loss	Unknown

Expenses Impact

- Full cost of enforcement will remain. Compact licensees will be investigated and prosecuted in Vermont, according to Vermont standards.
- IT costs associated with creating a new pathway to licensure.

Physical Therapy Compact

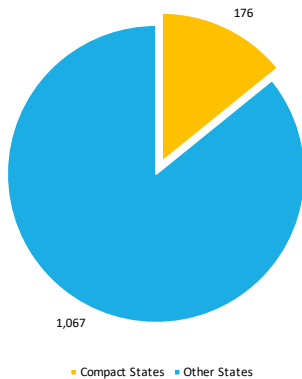
The PT compact is an established compact. Its Compact Commission has been meeting for a while, has adopted initial administrative rules, and is currently offering privileges to practice to licensees from member states. Currently, 33 states, including New Hampshire, have adopted the physical therapy compact.



Vermont is able to charge a fee for the privilege to practice in Vermont under the compact. This will likely not offset the entire cost of the compact but will be helpful.

H.77 Physical Therapy Compact Analysis

Vermont Licensed Physical Therapists living in Compact States



Licensure Impact

- 14% of Physical Therapists currently licensed in Vermont live in a compact state.
- Assumption that these 176 licensees would not renew if Vermont entered the PT compact.

Revenue Impact

- Applicants will pay a fee for a compact license, a portion of which will be passed through to the Vermont.
- Assuming Vermont requires a \$50 fee, OPR could collect up to \$10,600/year in compact fees.

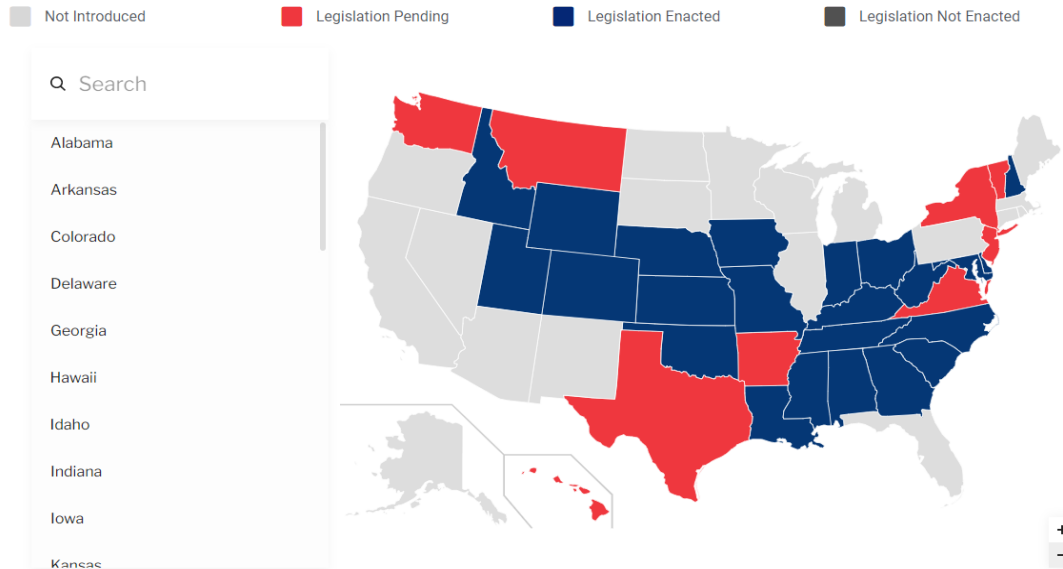
Vermont Fees	Application		Renewal	Estimates	
	Application	Renewal		Each Year	
Physical Therapist	\$100	\$150		Revenue Loss	-\$33,800
PT Assistant	\$100	\$150		Revenue Gain	\$10,600
				Net Loss	-\$23,300

Expenses Impact

- Full cost of enforcement will remain. Compact licensees will be investigated and prosecuted in Vermont, according to Vermont standards.
- IT costs associated with creating a new pathway to licensure.

Audiology and Speech-Language Compact

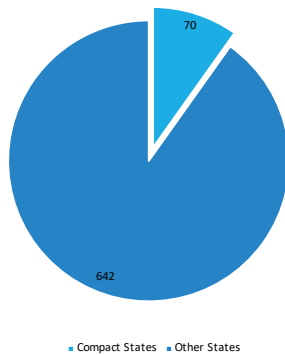
The Audiology and Speech-Language Compact has reached the number of states necessary to convene the Compact Commission in January 2022. The Commission is in the process of establishing bylaws and initial rules. Compact privileges will begin to be issued in 2023. 23 states, including New Hampshire, have adopted the ASLP.



Vermont is able to charge a currently unknown fee for the privilege to practice in Vermont under the compact. This will likely not offset the entire cost of the compact but will be helpful.

H.86 Audiology & SLP Compact Analysis

Vermont Licensed Audiologists and SLP's in Compact States



Licensure Impact

- 15% of Audiologists and 9% of SLPs currently licensed in Vermont live in a compact state.
- Assumption that these 70 licensees would not renew if Vermont entered the compact.

Revenue Impact

- Non-resident professionals with compact licenses will no longer require a Vermont state license.

Vermont Fees	Application	Renewal	Estimates	
			Each Year	
Audiology	\$100	\$240	Revenue Loss	-\$16,800
Speech-Language Pathologist (SLP)	\$100	\$240		

Expenses Impact

- Full cost of enforcement will remain. Compact licensees will be investigated and prosecuted in Vermont, according to Vermont standards.
- IT costs associated with creating a new multi-state license.

