



State of Vermont
Office of the Secretary of State

Office of Professional Regulation
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Christopher D. Winters, Deputy Secretary
S. Lauren Hibbert, Director

February 23, 2022

To: House Committee on Appropriations

From: S. Lauren Hibbert, Director, Office of Professional Regulation

Re: H.655 Telehealth Licensure and Registration

Dear Committee on Appropriations,

H.655 establishes telehealth licenses and registration for out-of-state health care professionals for the delivery of services to Vermont residents using telehealth. This regulatory structure is critically important to establish as the State moves out of the covid licensure flexibilities established in Act 91 (2020), Act 140 (2020), Act 6 (2021). While it was a rational decision to allow people licensed in other states to practice in Vermont without a Vermont issued license during the pandemic it is essential to public protection that our state has appropriate jurisdiction over professionals providing healthcare to our citizens.

H. 655 establishes a telehealth license (2-year period and limited to 20 patients) and a telehealth registration (120-day period and limited to 10 patients) across 46 different profession types (43 are regulated by the Office of Professional Regulation ("OPR") and 3 are regulated by the Board of Medical Practice ("BMP"). Operationalizing these programs will have a fiscal impact on the Office of Professional Regulation.

We have learned in the past two years that OPR cannot continue to absorb this important work in its existing budget without an appropriation, due to the impact it has on licensing fees for all professions regulated by OPR. That impact is compounded by the work that OPR will be doing responsive to H.654 which does not have any fee revenue but does have a budget appropriation request of 1 million dollars.

OPR Funding

As this committee is aware, OPR is a special fund agency, meaning that its operations are entirely funded through licensee fees. OPR is required to silo each profession's budget and charge a licensing fee that covers the cost of regulating that profession. 3 V.S.A §124 further requires that one profession should not subsidize the cost of regulating another profession. OPR proposes fee changes to the General Assembly to reflect changes in the cost of regulating a specific profession. The Board of Medical Practice is also funded solely by licensee application and renewal fees.

The fee proposals in H.655 are intended to support most of the cost of regulation of the new telehealth license and registration across the healthcare professions at OPR and the Board of Medical Practice; however, it will not cover it all. We are projecting a loss of revenue. Additionally, OPR will not receive

any revenue until we begin issuing telehealth registrations and licenses in July of 2023. OPR will need to do significant administrative and operational work before that date.

H.655 Administrative Costs

	One-time cost (FY23)	On-going cost/Fiscal Year
Staff Time	\$125,000	\$40,000*
IT Cost	\$175,000	\$10,000
Rulemaking	\$60,000	\$3,000
TOTAL	\$360,000	\$53,000

*This number is dependent on the ongoing volume of new telehealth registrations and licenses

Staff Time and IT cost estimates are based on the planning and implementation for similar-sized projects, for example the Nurse Licensure Compact.¹ Rulemaking estimates are based on the cost of filings for the health care professions that are eligible for telehealth licensure and registration.

H.655 Revenue Estimates

OPR estimates that 25% of the out-of-state providers currently licensed in Vermont will convert to a telehealth license or registration. Of that 25%, most professionals are estimated to choose the telehealth registration. The telehealth license fee would be equivalent to 75% of the renewal fee and the telehealth registration fee would be the lesser of 50% of the renewal fee or the initial application fee. OPR anticipates an overall loss in revenue based on these assumptions.

	Telehealth License	Telehealth Registration
% of the renewal fee	75%	50%
Credential uptake	10%	90%

Below is a 6-year projection based on the assumptions described above.

	FY2023	FY2024	FY2025	FY2026	FY2027
H.655 Fees	No revenue, operational set up	\$86,894.72	\$134,195.25	\$86,894.72	\$134,195.25
Normal Fees		\$159,429.75	\$248,792.00	\$159,429.75	\$248,792.00
Difference		-\$76,955	-\$118,845	-\$76,955	-\$118,845
Cumulative		-\$76,955	-\$195,800	-\$272,755	-\$391,600

¹ OPR was awarded a grant from the National Conference of State Boards of Nursing to implement the Nurse Licensure Compact.