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FISCAL IMPACT STATEMENT

LS 7018

BILL NUMBER: HB 1202

NOTE PREPARED: Jan 10, 2022

BILL AMENDED:

SUBJECT: Professional Counselors Licensure Compact.

FIRST AUTHOR: Rep. Andrade

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Behavioral Health and Human Services (BHHS) Licensing Board to administer the Professional Counselors Licensure Compact. It adopts the compact. It sets forth requirements of a member state. It sets forth the duties and authority of the Counseling Compact Commission. The bill allows a counselor in a home state to practice via telehealth in a member state. It allows each member state to have one delegate on the Commission. It establishes the procedure to withdraw from the compact. It makes conforming changes.

Effective Date: July 1, 2022.

Explanation of State Expenditures: *Summary* - If the compact is enacted by a minimum of seven other states' legislatures, joining the compact would require additional workload and resources for the Professional Licensing Agency (PLA) and the BHHS Licensing Board that extend beyond routine administrative functions. Implementation of the compact is expected to require between \$24,800 and \$42,200 in staff salary costs in FY 2023 or the first year after the tenth state adopts the compact. After implementation, the PLA is expected to incur between \$7,300 and \$17,800 in ongoing annual operating expenses related to administering the compact. PLA operating expenses are paid from General Fund appropriations.

Additionally, the Attorney General's Office and the BHHS Licensing Board could experience an increase in workload for investigatory and disciplinary procedures to the extent that complaints are made against out-of-state practitioners practicing in Indiana under the compact or Indiana licensees practicing in distant states. The BHHS Licensing Board would also be required to pay any witness fees and travel expenses necessary to summon witnesses from other compact states for hearings held by the BHHS Licensing Board. The volume of such complaints and disciplinary actions is expected to be minimal.

Estimated PLA Expenditures for the Professional Counselors Licensure Compact				
Expense	FY 2023 or Year One[^]		Subsequent Years	
	<u>Low Estimate</u>	<u>High Estimate</u>	<u>Low Estimate</u>	<u>High Estimate</u>
PLA & BHHS Licensing Board Implementation Costs*	\$24,800	\$42,200	-	-
PLA & BHHS Licensing Board Ongoing Administrative Costs*	-	-	\$6,800	\$10,300
Delegate Travel**			\$500	\$1,500
Annual Assessment Fee***	-	-	\$0	\$6,000
TOTAL	\$24,800	\$42,200	\$7,300	\$17,800

*Estimated salary cost of existing staff to complete the bill's requirements.
**Includes average costs for domestic airfare, lodging, meals, and ground transportation.
***Possible assessment fee range based on assessments of similar license compacts.
[^]The PLA is not expected to begin implementing the compact until the compact has been enacted by the legislatures of 10 states.

Additional Information - The Professional Counselors Licensure Compact is a multi-state agreement that will allow professional counselors that are licensed in a member state to obtain mutual recognition of their licenses in other member states through a single platform. Maryland and Georgia became the first states to adopt the Professional Counselors Licensure Compact legislation in 2021. The compact will not become effective until it has been enacted by the legislatures of 10 states.

PLA Workload: In the first year after the tenth state enacts the compact legislation, the PLA will likely dedicate a significant amount of staff time toward adopting rules relating to the compact, facilitating data sharing with the Compact Commission, educating license holders on the compact, and other planning activities. If seven additional states adopt the compact before July 1, 2022, this work would be expected to occur in FY 2023. Expected salary costs associated with this workload are estimated between \$24,800 and \$42,200 based on current PLA staff salaries for the various employee types likely to be involved and across a range of total hours that may be spent on compact implementation. Ongoing workload for functions such as verifying licensure for compact applicants, submitting investigative and disciplinary information to the compact database, and providing staff support for Indiana's Compact Commissioner is estimated to require between \$6,800 and \$10,300 in salary cost per year.

Commission Membership: The Professional Counselors Licensure Compact Commission is a joint public agency made up of one delegate from each compact state. The BHHS Licensing Board would appoint a current committee member or a PLA administrator as a voting delegate representing Indiana in the Compact Commission. The bill authorizes the Commission to levy an annual assessment on Indiana as a compact state. Because the compact has not yet become operational, no such fee has been levied. Among other health care licensure compacts currently established and authorized to levy annual assessments on member states, these fee amounts range between \$0 and \$6,000 per year.

Commissioner Travel: Although the bill provides that the Commission shall provide payment for the

expenses of its ongoing activities, it also specifies that member states must provide for their delegates to attend all Commission meetings. Therefore, it is assumed that any travel required of Indiana's appointed delegate for Commission business would be at the expense of the PLA. The bill requires the Commission to meet at least once a year. However, if Indiana is one of the first states to adopt the compact, it is likely that Indiana's delegate would serve on the Commission's executive committee and potentially require additional travel for executive committee business. Costs for Indiana's delegate to attend one to two meetings per year are estimated between \$500 and \$1,500 based on recent domestic airfare and lodging costs.

Uniform Data Set: Upon joining the compact, the bill would require the BHHS Licensing Board to submit a uniform data set containing certain identifying, licensure, and disciplinary information to the Commission's coordinated database on all participating practitioners. Similar requirements were included in the authorization of the Nurse Licensure Compact, which was recently implemented by the PLA. The PLA reported costs of approximately \$130,000 for harmonizing its licensure database with the Nurse Licensure Compact's national database, an effort that was funded through a grant awarded by the Nurse Licensure Compact Commission. To the extent that PLA determines that the data sharing requirements of the compact necessitate similar customization of PLA's existing licensure database, similar information technology costs may be incurred. However, the bill states that the Compact Commission is responsible for the development and maintenance of the coordinated database and does not expressly require the harmonization of states' databases with the Compact Commission's database. It is unknown whether the Compact Commission will offer funding for this type of project.

Adverse Action: The bill grants the BHHS Licensing Board and the Attorney General's Office authority to investigate and take adverse action against a professional counselor's compact privileges in Indiana. Additionally, the bill requires the BHHS Licensing Board and Attorney General's Office to give the same priority for taking investigatory and disciplinary action related to conduct of Indiana licensees reported by other member states as they would if the conduct had occurred in Indiana. The bill also requires the BHHS Licensing Board and the Attorney General's Office to complete any pending investigations of professional counselors who change their primary state of residence during the investigation. The BHHS Licensing Board would be required to report to the compact data system any adverse actions taken against Indiana compact privilege holders or distant state practitioners practicing in Indiana. The bill allows for member states to recover from the affected professional counselor the costs of investigations and disposition of cases resulting from adverse actions.

Explanation of State Revenues: Summary - If a significant number of out-of-state professional counselors who hold Indiana licenses choose to forego license renewal for compact authorization to practice in Indiana, the bill could potentially result in a reduction in General Fund revenue from license fees estimated between \$23,400 and \$70,200 per biennium. However, the bill provides that member states may charge a fee for granting compact privileges. Therefore, the BHHS Licensing Board could potentially recoup some or all of this lost revenue through compact privilege fees, depending on rules adopted by the Compact Commission relating to member state fees. Any revenue impact would not be expected until the fiscal year that compact privileges begin to be granted in Indiana (FY 2024 at the earliest). [Approximately 82% of BHHS license fee revenue is collected in even numbered years.]

Additional Information - The BHHS Licensing Board currently collects a biennial license fee of \$50 for all types of counselors' licenses. In FY 2020 and FY 2021, the BHHS Licensing Board collected approximately \$1.02 M from license fees. As of January 2022, there are 13,175 licensed mental health and addiction counselors, marriage and family therapists, and social workers physically located in Indiana with active Indiana licenses. There are 1,872 professional counselors with Indiana licenses that live outside of Indiana.

Estimates of possible revenue reduction assume between 25% and 75% of the out-of-state licensees would choose not to renew their Indiana licenses upon receiving compact privileges.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency, BHHS Licensing Board; Attorney General.

Local Agencies Affected:

Information Sources: PLA, [Search and Verify Tool](#);

Professional Counselors Licensure Compact Website: <https://counselingcompact.org/>;

Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, Fiscal Year 2021;

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