



To: House Behavioral Health and Health Care Committee

From: The Council of State Governments

Date: February 24, 2025

RE: Interstate Compact Concerns from Oregon Licensing Boards

Chair Nosse and members of the committee,

The purpose of this letter is to respond to concerns raised by staff from Oregon licensing boards during the House Behavioral Health and Health Care Committee meetings on February 18 and February 20 on the topic of interstate compacts. These concerns are not quoted verbatim but generalized based on the testimony heard during public hearings.

Point 1) We don't need compacts because Oregon already passed expedited licensure for military spouses

As evidenced by testimony given by the Department of Defense representative at the February 18 hearing, DoD continues to promote interstate compacts as the “gold standard” long-term solution for military spouse licensure portability barriers.

While appreciative of states' efforts to alleviate licensure burdens for military spouses, DoD prefers interstate compacts over other military spouse licensure policies because military spouses are not treated as a different class of licensee. Rather than navigating a patchwork of state-specific endorsement/reciprocity provisions for military spouses, compacts create regulatory certainty by providing for one, streamlined pathway to practice in other states for all practitioners who wish to be mobile or work in multiple states.

Point 2) We don't need a compact because the Oregon Board can issue a license very quickly

While the point about speed of licensure issuance is commendable, it does not take into consideration the amount of time necessary for the licensee to get all of the required documentation in order on the front end before they approach the board.



Licensees are regularly required to submit things such as verified transcripts from their educational institutions, exam results directly from the exam providers, and proof of licensure in good standing from another state. All of these take time to collect. CSG has heard of licensing boards taking over 6 months just to issue a letter attesting to a licensee's status.

Waiting on this documentation is time out of the workforce. Based on the testimony, Oregon is doing its due diligence to license these individuals quickly once their documentation is in order, but it is still time intensive due to the required work on the front end of the process.

Point 3) The compact will increase the administrative burden on the Oregon board and thus increase fees to all licensees.

Feedback that we regularly hear from boards is that compacts actually reduce administrative burdens. Because the board is no longer having to verify primary source documentation and review application materials for out of state licensees, staff are freed up for other functions beyond just reviewing applications.

Participation in compact commissions is not necessarily a significant staff time investment. Some states chose to volunteer for officer roles on the commission (and thus necessarily devote more time to the compact), but these roles are not mandatory. The only legal obligation that the compact member state's commissioner needs to satisfy is attendance at the commission's annual meeting that occurs at least once a year. Annual commission meetings are commonly either virtual or hybrid, thus not necessarily requiring in-person travel. Commission budgets also typically account for commissioner expenses if travel is required.

There is additional language added to the compact bills by legislative counsel which requires the Oregon boards to adopt commission rules into their own administrative rules within 90 days in compliance with the Oregon constitution. This is an extra step that Oregon boards will take.



Point 4) Oregon will lose all of our out-of-state licensees resulting in a significant fiscal impact to the board

The majority of the compacts being considered in Oregon operate off of what is known as the “compact privilege” model.

This model requires that licensees using the compact obtain a compact privilege in each remote state where they wish to practice. One reason that states prefer this model is that it allows each state to recoup fees that are lost from no longer having as many out of state applicants.

Each state is authorized to charge a fee for the compact privilege. If the Oregon board wants to charge the same amount for a compact privilege as their regular Oregon license fee, that is within their jurisdiction. As such, out of state licensees would be paying the same amount to the Oregon board if they are applying for an Oregon license or an Oregon compact privilege.

The only compact assigned to the Behavioral Health and Health Care committee that does not employ this model is the Social Work Compact. The Social Work Compact does not have a mechanism built in for remote states to recoup fees like those with the privilege model.

Lastly, the point assumes that every out-of-state licensee will not renew their Oregon license and will instead use the compact. This has not been the trend from other operational compacts. There are a variety of reasons why someone might choose to maintain their single state license rather than convert to using the compact. It is not the case that all out of state licensees will immediately let their Oregon license lapse because of the compact.

Point 6) The compact will increase legal fees due to increased investigations

CSG has not seen this to be the case with any of the other licensure compacts that are currently operating. The data we see is that investigations and discipline of compact users is very rare. The Nurse Licensure Compact reports that .03% of nurses have ever had their compact license disciplined despite the large number of nurses utilizing the compact.



Point 7) The board no longer has the ability to conduct its own criminal background check

All healthcare occupational licensing compacts require an FBI fingerprint based criminal background check. There could never be an instance where a licensee has not completed a background check for these compacts. By joining the compact, Oregon will accept licensees who have a license in good standing issued by another state. Oregon is agreeing to trust that the other member states have done their due diligence in licensing someone who is fit to practice.

The point is accurate that each remote state does not get to run their own separate background check. If that were the case, the compact immediately loses a significant amount of value as the results of a background check can take upwards of 6-8 weeks to receive. States are obligated to report to the national practitioner databank so Oregon could continue to see relevant criminal history there. Licensees are required to attest to the absence of any criminal history at each renewal and untruthfulness on an application is a violation that states can take action on.

Point 8) The compact would eliminate other reciprocity licensure pathways Oregon has in place

Compacts are meant to be an optional, additional pathways to practice for practitioners who want to be mobile or work in multiple states. Compacts do not supersede any licensure pathways that currently exist. States can continue to have state specific reciprocity, universal recognition or licensure by endorsement pathways. These do not conflict with the compact.

Point 9) Compacts don't add providers to the pool at the macro level and thus won't impact the workforce.

Many of these compacts are still in their infancy so measuring long-term economic outcomes is challenging. However, there are some promising trends from some of the older compacts including nursing and medicine. A medical compact study concluded that being a member of the compact increased the number of practice locations for a physician by about 5% on average which equates to about 600 additional practice locations.

The compact wasn't increasing the number of physicians, but rather increasing the number of locations a physician practiced in, thus increasing access to care. The study found that



physicians were more likely to deliver telehealth services and grow their practice across neighboring states compared to physicians in non-compact states.

Point 10) The compact shifts Oregon's regulatory authority over a non-governmental, third-party commission

Compact commissions are defined as “government agency whose membership consists of all States that have enacted this Compact.” The commission is an instrumentality of the sovereign member states acting jointly under the terms of the compact. The commissions are seated by state actors, duly appointed by each member state and serving on the commission as an extension of their state regulatory duties. Only those state actors may vote on commission matters.

The commission's powers and duties are strictly limited to “effectively implementing and administering the purposes of the compact”. Commissions are not authorized to weigh in on things like state specific licensing requirements, scope of practice, standards of care, and disciplinary issues. Compacts contain language that says the member state legislatures can reject a rule if the commission acts outside of those guardrails.

Additionally, all compacts contain language that say a licensee is subject to the laws, rules, and regulation of the state where they are practicing. Anyone practicing in Oregon is subject to Oregon's laws and rules. If Oregon's laws and rules are violated, that licensee is under the jurisdiction of the relevant licensing board. From a regulatory standpoint, Oregon cedes none of its powers.

The only thing that Oregon yields by joining the compact is the ability to unilaterally overrule another member state's licensure determination. If a licensee has satisfied the uniform entry standards that are set in the compact, and the home state has legitimately licensed them, they are authorized to practice in Oregon since Oregon would have granted that permission by joining the compact.

Point 11) The compact will result in providers who do not meet Oregon's licensure requirements being able to practice in Oregon

Compacts thrive on uniformity. CSG only moves ahead with compact development if there is sufficient uniformity of licensure requirements among the states. For healthcare professions, accredited education, exams, and supervision/experience requirements are, in many cases, the same across states. These uniform requirements are included in the



compact language. As such, Oregon can trust that a licensee from another state has met a standard that is similar to theirs.

There are exceptions to this of course because not every state is perfectly aligned. This is a policy consideration that Oregon needs to balance. Is Oregon willing to accept licensees from other states who have not met their state specific standard to gain the benefits that a compact provides? For example, the social work compact requires clinical social workers to have 3,000 hours of supervised practice. Oregon currently requires 3,500. Joining the compact does not change the 3,500 requirement for Oregon licensees, but Oregon will have to accept social workers from other states with 3,000 hours.

Point 12) The compact limits Oregon's ability to discipline by requiring Oregon to either revoke the privilege or take no action

Compacts generally define adverse action to mean any action taken by a licensing board including *"revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a licensee's authorization to practice"*. This list is meant to encompass discipline far more inclusive than just revocation.

Additionally, compacts contain language that say, *"A Remote State may, in accordance with due process and that State's laws, by Adverse Action revoke or remove a Licensee's Compact Privilege in the Remote State for a specific period of time and impose fines or take any other necessary actions to protect the health and safety of its citizens."*

This language authorizes Oregon boards to take any action that is afforded for them to take under Oregon law. For example, if Oregon can issue a temporary suspension for a licensee, they can take that same action against a compact privilege holder.

The phrase "take any other necessary actions to protect health and safety of citizens" is broad enough that the board has some latitude for additional action beyond what is explicitly mentioned in the compact.

Point 13) The Compact's "state assessment" provision is unknown and could significantly impact the board's financial solvency.

The compacts give authority to the compact commission to levy a state assessment but does not mandate a state assessment. This language exists in all of the compacts (including the Physical Therapy Compact and Interstate Teacher Mobility Compact which



Oregon has passed). Out of 18 compacts, only two charge a state fee. The nurse licensure compact charges each member state \$6,000 annually. The Psychology Interjurisdictional Compact (PsyPact) charges \$10 per compact privilege issued (capped at \$6,000 annually). The vast majority of compacts do not exercise this language but rather pass on the administrative cost of the compact onto the user, not the state.

Point 14) Constitutional Issues

Several boards raised the concern that compacts conflict with “non-delegation” principles in Oregon’s constitution. This has been addressed by the language agreed upon by CSG and Oregon’s legislative counsel which requires the board to adopt commission rules into their own rules within 90 days.

There are no additional constitutional issues that have been identified by legislative counsel.