

Date: September 3, 2024

To: Andrea Lazarow, New Mexico Legislative Council Service

From: Razan Badr, NCSL

Topic: Interstate Licensure Compacts

Dear Andi,

Thank you for reaching out to NCSL with your question regarding interstate licensure compacts and related outcomes data. Within this memo, I have included some background information and available outcomes data for interstate licensure compacts, as well as other state licensure portability strategies. Additional resources are included at the end of this document.

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.

Best,

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Background Information: Interstate Licensure Compacts

According to the National Center for Interstate Compacts, [interstate licensure compacts](#) allow states to establish uniform standards to lower barriers to multi-state practice while preserving a state's practice act and initial licensure process. Currently, there are eight active licensure compacts for various health professions:

- [The Interstate Medical Licensure Compact \(IMLC\)](#): 40 states, D.C. and the territory of Guam
- [Physician Assistant Licensure Compact](#): 13 states
- [Nurses Licensure Compact](#): 40 states and the territories of Guam and Virgin Islands
- [Physical Therapy Compact](#): 37 states and D.C.
- [Psychology Interjurisdictional Compact \(PSYPACT\)](#): 40 states, D.C. and the territory of Northern Mariana Islands
- [Emergency Medical Services Personnel Licensure Interstate Compact \(REPLICA\)](#): 24 states
- [Counseling Compact](#): 29 states
- [Social Work Compact](#): 22 states
- [Audiology and Speech-Language Pathology Interstate Compact \(ASLP-IC\)](#): 33 states
- [Occupational Therapy Compact](#): 30 states

The [Advanced Practice Registered Nurse Compact](#) is not yet active. This compact must be enacted in at least seven states to reach activation status.

Outcomes from Interstate Licensure Compacts

Please note that each licensure compact has its own procedure for providing licenses, for example expedited licensure vs. multi-state licenses, and impacts/outcomes data may not be universally comparable.

[Mutual recognition and expedited licensure](#) are two models for occupational licensure compacts that allow health care professionals to practice in multiple states. Under a mutual recognition model, a licensee who establishes residency in a compact state can receive a multistate license or purchase a "privilege" to practice in any other state within the compact as long as they maintain residency in the state where they were first licensed. They are subject to the original state's renewal and continuing education requirements. On the other hand, the expedited licensure method allows applicants to apply for an individual license in each state they intend to practice, using a central entity that manages and distributes their credentials. This centralized approach, combined with simplified application procedures, makes the licensing process more efficient. After obtaining approval from the main state's administrative officials, applicants are eligible for a fast-tracked license in other member states. This process is commonly known as the "check the box" approach, enabling individuals to conveniently opt for licensure in additional states.

While outcomes data relating to interstate licensure compacts is very limited, some research suggests compacts may enhance the workforce landscape. On average, states who joined the Interstate Medical Licensure Compact (IMLC) have seen a [10% to 15% increase in licensed physicians](#), with the largest increases in states with significant rural or underserved populations. However, more research needs to be done to further establish causality. [Other potential benefits](#) of interstate licensure compacts include enabling care continuity, especially for college students, seasonal workers and snowbirds (individuals who relocate to warmer states during the winter months).

Research specifically focusing on the Nurse Licensure Compact (NLC) is mixed. A study of the overall nursing workforce found that [30.3% of all RNs](#) held an interstate license in 2022, a 6.3% increase from 2020. Of those, 6% cited using their interstate license for travel nursing, 8.9% cited telehealth and 2.6% cited distance learning. Several studies found no impact of the NLC on [labor market outcomes](#), [migration flows](#) within the state or [telemedicine use by out-of-state providers](#). Other studies found some impact of the NLC including nurses [moving into participating compact states](#) and an [11% increase](#) in the mobility of registered nurses and licensed practical nurses within compact states.

Additional [research suggests](#) that interstate licensure compacts facilitated the availability of travel nurses during the pandemic. Travel nurses were essential in helping to meet surge needs; however, unpredictable workforce relocation patterns created [new staffing challenges](#) for states such as price-gouging and employee turnover due to pay gaps between travel nurses and full-time staff. [Another study](#) finds that the single-state licensing system causes more rigidity in the labor market, whereas the compact boosts job outflow within the industry by 11% and might divert flows toward non-compact states. Many states [reconsider NLC membership after the pandemic](#) as possible solutions to labor shortages and turnover.

A [study](#) of the Recognition of Emergency Medical Services Personnel Licensure Interstate Compact (REPLICA) by the [Bowen Center at Indiana University School of Medicine](#) suggests that the compact allows personnel to seamlessly practice in participating states as those states have a mechanism to share relevant and necessary information. However, EMS personnel retain their home state practice protocols and scope of practice when working in another participating states, which may pose some challenges within the workforce.

Many states are experiencing similar [health workforce shortages](#), particularly in rural and underserved areas. Interstate licensure compacts facilitate the movement of health care professionals across state lines but may not increase the total number of health care professionals across the country. Research suggests that license portability may have [unintended consequences](#) such as drawing providers away from underserved communities in favor of more profitable areas with less severe access challenges or conducting telehealth visits in states with higher reimbursement rates. Even so, compacts may add new providers to states, facilitate greater telehealth access and increase license portability.

Other State Actions to Increase Licensure Portability

In addition to interstate licensure compacts, states have several other licensure portability policy options, including reciprocity, endorsement and universal licensure.

Reciprocity and Endorsement

States may expedite the licensure process for certain health care professionals, especially across state lines, through reciprocity agreements with specific states, or licensure by endorsement processes for specific health occupations.

States may form reciprocity agreements to streamline the process of recognizing professional licenses from other states. These agreements are particularly common among neighboring states to facilitate the movement of licensed professionals but can be established between any states, regardless of their physical proximity. Such agreements do not guarantee mutual license recognition like a driver's license might; instead, they establish a structured process for how states will acknowledge each other's licenses, which can shorten the time it takes for professionals to receive permission to work in a new state. Typically, state laws empower licensing boards to initiate these agreements at their discretion.

The licensure by endorsement model enables states to evaluate an individual's qualifications obtained in another jurisdiction against their own standards. The extent to which these qualifications are recognized can differ by state and is subject to the discretion of licensing boards or agencies. For instance, some states require that qualifications for endorsement must be "equal to or greater" than their own standards, and these requirements, including training and education, often vary significantly across states.

Universal Licensure

While interstate compacts operate to enhance portability, other licensing mechanisms can also achieve interstate mobility. Universal licensure, as well as policies targeting a specific demographic, can be effective tools too. As of May 2022, 18 states have enacted a universal recognition law. With recent influxes of migrant workers, many states are tackling barriers to work for immigrants with work authorization. California's Physicians and Dentists from Mexico Pilot Program allows individuals licensed in Mexico to practice in California for a defined period.

Some states, like Tennessee, have also created a universal licensure provision for international medical graduates. Universal licensure recognition may streamline the licensing process for international candidates, provide recognition of foreign credentials and eliminate repetitive training and residency requirements. The inclusion of various countries in reciprocity agreements expands the talent pool, potentially alleviating shortages in critical professions across the US.

Additional Resources:

- [Interstate Licensure Compacts and Universal Licensure Recognition Laws](#) (The Council for State Governments)
- [The 2022 National Nursing Workforce Study](#) (Journal of Nursing Regulation, 2023)
- [Evolving with Change: The Benefits of Expanding Interstate Licensure](#) (National Council of State Boards of Nursing, 2020)
- [The Role of Interstate Compacts in Modernizing the Healthcare Workforce](#) (Journal of Nursing Regulation, 2023)
- [The Interstate Medical Licensure Compact: Attending to the Underserved](#) (Journal of the American Medical Association, 2021)
- [Strength in Numbers: Why States Join Interstate Compacts](#) (Cambridge University Press, 2021)
- [Occupational Licensing Final Report: Assessing State Policies and Practices](#) (National Conference of State Legislatures, 2020)
- [2023 Occupational Licensing Trends](#) (National Conference of State Legislatures, 2023)