

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 1121 – SB 1142

June 15, 2020

SUMMARY OF ORIGINAL BILL: Authorizes electronic submission of the annual report that the Board of Examiners in Psychology (BOEP) is required to submit to the Governor.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (003646): Deletes all language after the enacting clause. Creates the *Psychology Interjurisdictional Compact Act* to authorize and regulate telepsychological practice across state lines. Authorizes temporary, in-person, face-to-face psychology services for 30 calendar days within a year in a state in where a psychologist is not licensed to practice psychology.

Defines a “Home State” as the Compact State where a psychologist is licensed to practice psychology. Defines a “Distant State” as the Compact State where a psychologist is physically present to provide temporary, in-person, face-to-face psychological services. Defines a “Receiving State” as the Compact State where the client/patient is physically located when the telepsychological services are delivered.

Requires a Home State’s Psychology Regulatory Authority to investigate and take appropriate action, when inappropriate conduct by a licensee practicing telepsychology which occurred in a Receiving State is reported, in the same manner as it would if such conduct had occurred within the Home State. In such cases, the Home State's law is used in determining any adverse action against a psychologist's license.

Requires a Distant State's Psychology Regulatory Authority to investigate and take appropriate action, when inappropriate conduct engaged in by a psychologist practicing under Temporary Authorization Practice which occurred in that Distant State is reported, in the same manner as it would if such conduct had occurred within the Home State. In such cases, Distant State's law is used in determining any adverse action against a psychologist's Temporary Authorization to Practice.

Establishes the Psychology Interjurisdictional Compact Commission (Commission) to govern and oversee the practice of telepsychology and temporary practice of psychology in all Compact States. Requires one voting representative be appointed by each state. Authorizes the

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Commission to levy and collect an annual assessment from each Compact State to cover the costs of the operations, activates and staff in its annual budget as approved each year. Requires the Commission to secure adequate funding for and prior to incurring any obligation. Establishes that this Compact will become effective on the date which the Compact is enacted into law in the seventh Compact State.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On March 3, 2019, a fiscal memorandum was issued for legislation with the following estimated impact:

Increase State Expenditures –

*\$8,600/One-Time/Board of Examiners in Psychology
Exceeds \$134,700/Recurring/Board of Examiners in Psychology*

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Examiners in Psychology had an annual surplus of \$64,956 in FY16-17, an annual surplus of \$26,945 in FY17-18, and a cumulative reserve balance of \$1,085,308 on June 30, 2018.

Based on additional information including board action in late 2019, the fiscal impact was determined to be in error. As a result, the fiscal impact for the bill as amended has been corrected as follows:

**Increase State Revenue – Up to \$88,900/FY20-21 and Subsequent Years/
Board of Examiners in Psychology**

**Increase State Expenditures - \$88,900/FY20-21/Board of Examiners in Psychology
\$84,600/FY21-22 and Subsequent Years/
Board of Examiners in Psychology**

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Examiners in Psychology had an annual surplus of \$26,945 in FY17-18, an annual surplus of \$4,356 in FY18-19, and a cumulative reserve balance of \$1,082,079 on June 30, 2019.

Corrected assumptions for the bill as amended:

- As of June 15, 2020, 14 states have enacted legislation to establish a Psychology Interjurisdictional Compact. The Compact will become fully operational by the end of the first quarter of 2020.

- Passage of this legislation will authorize psychologists to obtain and maintain a license in other Compact States while authorizing the Home State to continue to regulate their licensees and authorize the Receiving and Distant States to know who is practicing in their state and in what capacity without requiring psychologists to obtain and maintain a license in every Compact State.
- The Board of Examiners in Psychology will pay an annual assessment, in conjunction with other Compact states, to join the Compact and cover the operations and activities of the Psychology Interjurisdictional Compact Commission. The estimated annual fee is \$6,000 in authorization fees for licensees and \$2,400 for Association of State Provincial Psychology Board (ASPPB) assessment fee. The total increase in fees to participate in the Compact is estimated to be \$8,400 (\$6,000 + \$2,400). The proposed legislation will require the health related boards (HRB) to investigate reports of inappropriate conduct that occurred in a Receiving State by a psychologist licensed in this state as well as reports of inappropriate conduct that occurred in this state by a psychologist licensed in another state but practicing in this state under the Temporary Authorization Practice.
- Based on information provided by the Department of Health (DOH), the proposed legislation cannot be accommodated within existing resources. The DOH's Office of General Counsel will require one Public Health Nurse Consultant 1 position to investigate complaints and reports of inappropriate conduct by licensees. The one-time increase in state expenditures associated with an additional position is estimated to be \$4,300 [(\$1,600 computer cost + \$2,700 office furniture)].
- The recurring increase in state expenditures associated with the Public Health Nurse Consultant 1 position is estimated to be \$76,567 (\$51,540 salary + \$15,127 benefits + \$7,900 administrative cost + \$1,400 communications + \$600 supplies).
- The total recurring increase in state expenditures to the Board of Psychology Examiners is estimated to exceed \$84,631 (\$8,400 + \$76,567).
- There will be a total increase in state expenditures of \$88,931 in FY20-21 and \$84,631 in FY21-22.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Examiners in Psychology had an annual surplus of \$64,956 in FY16-17, an annual surplus of \$26,945 in FY17-18, and a cumulative reserve balance of \$1,085,308 on June 30, 2018.
- At the December 5, 2019 Board of Medical Examiners in Psychology meeting, a majority of the Board voted in favor of endorsing the Psychology Interjurisdictional Compact. It is assumed the Board will adjust fees, as necessary, to cover the cost of the additional position and fees resulting in an increase in revenue up to \$88,931 in FY20-21 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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