



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3833	Introduced on February 9, 2021
Author:	Erickson	
Subject:	Psychology Interjurisdictional Compact	
Requestor:	House Medical, Military, Public, and Municipal Affairs	
RFA Analyst(s):	Coomer, Gardner, Miller, and Payne	
Impact Date:	February 19, 2021	

Fiscal Impact Summary

This bill enters South Carolina into the Psychology Interjurisdictional Compact (PSYPACT), permitting eligible psychologists to practice telepsychology and temporary in-person psychology across state boundaries.

The fiscal impact of this bill on the Department of Labor, Licensing and Regulation (LLR) and the State Law Enforcement Division (SLED) is pending, contingent upon a response from the agencies.

This bill will have no fiscal impact on the Department of Insurance (DOI), the Department of Health and Human Services (DHHS), and the Public Employee Benefit Authority (PEBA) or other state agencies because the potential increase in access to medical coverage under this bill is not expected to significantly affect insurance premiums or the agencies' responsibilities.

Explanation of Fiscal Impact

Introduced on February 9, 2021

State Expenditure

This bill enters South Carolina into PSYPACT, permitting eligible psychologists to practice telepsychology and temporary in-person psychology across state boundaries. The bill provides for the structure, functions, powers, and duties of the Psychology Interjurisdictional Compact Commission (commission), the collective governing agency overseeing the implementation of PSYPACT. The commission shall pay the reasonable expenses of its establishment, organization, and ongoing activities and may levy on and collect an annual assessment from each compact state or impose fees on other parties. The bill additionally establishes the qualifications for licensure as a psychologist under PSYPACT, including state and national background checks with fingerprints, and provides for the compact states' rights and obligations, including those involving adverse action. The compact has been actively accepting applications since July 2020, and fourteen states are participating so far. Data from the compact suggests that about 3% to 4% of licensed psychologists in each compact state go on to apply for licensure through the compact, although this number may rise in the future as the compact becomes more established.

Department of Labor, Licensing and Regulation. This bill authorizes the Board of Examiners in Psychology (board), under the administration of LLR, to afford legal recognition to psychologists licensed in other states in a manner consistent with the terms of the compact. The board may investigate and take adverse action on a psychologist licensed under the compact and must report any adverse action taken in accordance with the rules of the commission. Any witness fees, travel expenses, mileage, and other fees related to an investigation must be paid by the board. The board must additionally participate in the commission's coordinated licensure database by maintaining and submitting a uniform data set on all licensees in the state. Furthermore, the board shall appoint one delegate to act on behalf of the state during annual meetings of the commission and any additional meetings. The commission will provide for delegate expenses relating to travel, lodging, and food.

The bill allows for the commission to levy and collect an annual assessment from each compact state or impose fees on other parties. A commission bylaw states that a compact state will be charged \$10 per PSYPACT participating psychologist licensed in that state, with a maximum amount of \$6,000 charged annually per compact state.

The expenditure impact of this bill on LLR is pending, contingent upon a response from the agency.

Public Employee Benefit Authority. This bill could result in more accessibility for certain covered medical services. PEBA anticipates being able to manage any additional expenditures that may arise from this bill without having to increase state insurance premiums. Therefore, this bill will have no expenditure impact for PEBA or state agencies to cover any additional medical services.

Department of Insurance. This bill could result in more accessibility for certain covered medical services. DOI anticipates this will not result in an increase in premiums within the state nor will it result in a change in DOI's responsibilities. Therefore, this bill will have no expenditure impact for DOI.

Department of Health and Human Services. This bill allows the compact to establish a set of standards for telepsychology services to be provided across state lines between compact member states. The creation of the compact and standardization of practices will increase the availability of care, including through telehealth services, as service providers would be allowed to practice across state lines in compact member states. DHHS indicates they do not anticipate this legislation will result in any changes to their current policy, or material changes in utilization of services. Therefore, this bill is not expected to have a fiscal impact on DHHS.

State Law Enforcement Division. The expenditure impact of this bill on SLED is pending, contingent upon a response from the agency.

State Revenue

Department of Labor, Licensing and Regulation. The board falls under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2019-20 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures.

The revenue impact of this bill on the General Fund and the Other Funds of LLR is pending, contingent upon a response from the agency.

Department of Insurance. This bill could result in more accessibility for certain covered medical services. DOI anticipates this will not result in an increase in premiums within the state and therefore will not increase insurance premium taxes. Therefore, this bill will have no revenue impact for insurance premium taxes.

State Law Enforcement Agency. This bill may increase the number of state criminal records checks that SLED is required to perform. Pursuant to Section 23-3-115(A), revenue generated by state criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED. The revenue impact of this bill on the General Fund and the Other Funds of SLED is pending, contingent upon a response from the agency.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director