


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: November 9, 2020

SUBJECT: Fiscal Impact Statement – Psychology Interjurisdictional Compact Act of 2020

REFERENCE: Bill 23-145, Draft Committee Print as provided to the Office of Revenue Analysis on November 2, 2020

Conclusion

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the proposed bill. The bill costs \$0 in fiscal year 2021 and \$51,650 over the financial plan.

Background

The bill enables the District to participate in the Psychology Interjurisdictional Compact (Compact).¹ The Compact is an interstate compact designed to regulate the practice of telepsychology and temporary in-person, face-to-face practice of psychology across state boundaries. The bill establishes educational standards and conditions for psychologists who wish to practice across state boundaries. All participating psychologists must receive certain authorizations confirming that they meet these conditions in order to practice. Psychologists that want to practice telepsychology must use the Authorization to Practice Interjurisdictional Telepsychology (APIT) while those seeking authority for in-person practice with another jurisdiction must use the Temporary Authorization to Practice (TAP).² Both authorizations require psychologists to pay an application fee and an annual licensing fee.

The Department of Health (DC Health) currently regulates the practice and licensing of psychologists in the District. DC Health will maintain its authority to impose adverse action on a psychologist's

¹ For more information visit: <https://psypact.org/>

² Psychologists with a TAP can only provide in-person services across state boundaries for 30 days each calendar year.

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license for inappropriate conduct. DC Health can limit or revoke a psychologist's APIT or TAP and may take necessary actions under the law to protect the health and safety of District residents. DC Health will be responsible for investigating and taking appropriate action with respect to reported inappropriate conduct by a District licensed psychologist that occurred in another state.

The bill allows DC Health and other Compact state psychology regulatory authorities to issue subpoenas, for both hearings and investigations, which require the attendance and testimony of witnesses and the production of evidence. Subpoenas issued by a Compact state's psychology regulatory authority must be enforced by courts of competent jurisdiction. The subpoena issuing state's psychology regulatory authority is required to pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses or evidence are located. Compact states can issue cease and desist or injunctive relief orders to revoke a psychologist's APIT or TAP.

The bill establishes a Psychology Interjurisdictional Compact Commission (Commission) comprised of one voting representative from each compact state. The Commission must meet at least once each year and will be responsible for making rules to facilitate and coordinate implementation and administration of the Compact. The Commission currently charges participating states an annual assessment fee of \$10 per authorized license holder up to a cap of \$6,000. These funds are used to support the functions of the Commission. The Commission will also develop and maintain a coordinated licensure information system and reporting system. This system will contain licensure and disciplinary action information on all psychologists participating in telepsychology and in-person practice across state boundaries.

As of November 2020, fifteen states have enacted legislation to join the Compact.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the proposed resolution. The bill costs \$0 in fiscal year 2021 and \$51,650 over the financial plan.

Joining the Compact will result in a reduction in psychologist license renewal fee revenue in the District. Virginia will be a member of the Compact beginning in 2021³ meaning that psychologists residing in Virginia would no longer be required to hold a license in the District to practice telepsychology and/or in person. There are currently 250 psychologists that reside in Virginia that also hold a license in the District. DOH estimates that half of these psychologists will likely apply for Compact authorizations instead of renewing their District licenses. This will result in lost licensing renewal fee⁴ revenue of \$25,000 in fiscal year 2022 and \$25,000 in fiscal year 2024 since licenses expire every December 31st in odd calendar years. Licensing fees collected by DC Health are dedicated to the Board of Medicine's non-lapsing special purpose revenue fund.

³ An Act to amend the Code of Virginia by adding a section numbered 54.1-3606.2, relating to Psychology Interjurisdictional Compact, enacted April 11, 2020 (Va. Bill 760; Va. Code § 54.1-3606.2.

⁴ The current psychologist license renewal fee is \$203.

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DC Health will also be required to pay an assessment fee of \$10 per authorized licensed holder to the Commission. ORA estimates⁵ that DC Health will pay \$550 on an annual basis in assessment fees for 55 participating psychologists.

DC Health may incur costs to hire investigators to collaborate with Compact member regulatory authorities to investigate instances of inappropriate conduct by out-of-state psychologists practicing telepsychology in the District. It is unknown how many out-of-state investigations will occur each year. The current hourly rate for an investigator is \$48 per hour. DC Health may require additional resources in the future depending on the number of investigations that occur in a given year.

Bill 23-145 - Psychology Interjurisdictional Compact Act of 2020					
Total Costs					
	FY 2021	FY 2022	FY 2023	FY 2024	Total
Forgone Licensing Renewal Fees	\$0	\$25,000	\$0	\$25,000	\$50,000
Compact Fee	\$0	\$550	\$550	\$550	\$1,650
Total	\$0	\$25,550	\$550	\$25,550	\$51,650

⁵ The Psychology Interjurisdictional Compact Commission's 2020 revenue projections assume a 10 percent participation rate among member state psychologists.