



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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*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.*

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<b>Bill Number:</b>	H. 3840	Introduced on February 9, 2021
<b>Author:</b>	Erickson	
<b>Subject:</b>	Audiology and Speech-Language Interstate Compact Act	
<b>Requestor:</b>	House Medical, Military, Public, and Municipal Affairs	
<b>RFA Analyst(s):</b>	Coomer, Gardner, Miller, and Payne	
<b>Impact Date:</b>	February 19, 2021	

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### Fiscal Impact Summary

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), 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 the Audiology and Speech-Language Pathology Interstate Compact, pending its adoption by ten or more states. The compact requires that member states recognize licenses for audiology or speech-language pathology issued by any other member state, as well as allow for the practice of telehealth between member states. The bill provides for the structure, functions, powers, and duties of the Audiology and Speech-Language Pathology Compact Commission (commission), the collective governing instrumentality of the compact states. 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 member state or impose fees on other parties. The bill additionally establishes the qualifications for a psychologist under the compact, including state and national background checks with fingerprints, and provides for the compact states' rights and obligations, including those involving adverse action.

The compact is currently in effect in six states, and fifteen states have introduced compact legislation in 2021. It is expected that the compact could be fully operational by the end of 2022.

**Department of Labor, Licensing and Regulation.** This bill authorizes the Board of Examiners in Speech-Language Pathology and Audiology (board), under the administration of LLR, to afford legal recognition to audiologists and speech-language pathologists in a manner consistent

with the terms of the compact. The board may investigate and take adverse action on an audiologist or speech-language pathologists 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, but these expenses may be recovered from the affected party as the result of litigation. 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 two delegates to act on behalf of the state during annual meetings of the commission and any additional meetings.

The bill allows for the commission to levy and collect an annual assessment from each compact state or impose fees on other parties, but this assessment has yet to be determined. The bill also details that the commission shall pay for the reasonable expenses of its establishment, organization, and ongoing activities. It is not clear at this time if the travel expenses for the state's two delegates to commission meetings will be covered by the commission.

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 audiology and speech-language pathology services to be provided across state lines between compact member states. The creation of the compact and standardization of audiology and speech-language pathology practices will increase the availability of care, including through telehealth services, as service providers will be allowed to practice across state lines in compact member states. DHHS states that, as a result of the Public Health Emergency, they have already expanded the provision of telehealth therapy services. DHHS indicates that they have experienced a minimal fiscal impact as a result of this policy change, and they do not anticipate this legislation will have an impact on the agency. 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.** This bill allows the board to charge a fee for granting a compact privilege. Additionally, 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



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Frank A. Rainwater, Executive Director