



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.

Bill Number: H. 3840 Introduced on February 9, 2021
Author: Erickson
Subject: Audiology and Speech-Language Interstate Compact Act
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Coomer, Gardner, Miller, and Payne
Impact Date: March 4, 2021 Updated for Additional Agency Response

Fiscal Impact Summary

This bill provides for the entry of the South Carolina Board of Speech-Language Pathology and Audiology (board) into the Audiology and Speech-Language Pathology Interstate Compact (compact), pending its adoption by ten or more states.

This bill will increase Other Funds expenditures by \$51,228 in the first fiscal year in which the compact becomes active and by \$50,228 each year thereafter for the addition of 1 FTE for the Department of Labor, Licensing and Regulation (LLR). This bill will increase Other Funds expenditures of LLR by an undetermined amount due to unknowable costs related to entering into the compact, such as additional meetings of the board, travel expenses for state delegates, an annual compact assessment on member states, potential investigatory costs stemming from adverse action taken on licensees, and participation in the compact's data system. However, compact privilege fees paid by applicants for licensure could generate the necessary revenue to offset anticipated expenditure increases.

The revenue impact of this bill on the Other Funds of LLR and the General Fund is undetermined. It is not known how many new applicants will seek compact licensure, what compact privilege fee the board will set for compact licensure, or how many instances of adverse action will occur upon entry into the compact. LLR does not anticipate its remittance to the General Fund under Proviso 81.3 of the FY 2019-20 Appropriations Act will exceed a few hundred dollars.

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.

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

This fiscal impact has been updated for an additional response from LLR.

Explanation of Fiscal Impact

Updated for Additional Agency Response on March 4, 2021

Introduced on February 9, 2021

State Expenditure

This bill provides for the entry of the South Carolina Board of Speech-Language Pathology and Audiology (board) into the Audiology and Speech-Language Pathology Interstate Compact (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, 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. Compact states are required to fully implement FBI fingerprint criminal background check procedures in the application process. 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.

LLR indicates that additional board meetings may be necessary as a result of this bill. The cost breakdown of board meetings includes a \$35 per diem for each board member, a 56 cent per mile mileage reimbursement, and a \$2,156 court reporter fee. The board consists of five members.

LLR cannot estimate the number of additional meetings that may be necessary as a result of this bill.

This bill creates additional administrative duties that cannot be managed by existing staff. Therefore, LLR anticipates that it will require 1 additional FTE to handle criminal background check processing, process applications, assist with board meetings, and assist with other duties as assigned. Salary and fringe benefits for an Administrative Assistant will total \$47,728 and other recurring operating expenses will total \$2,500. Non-recurring infrastructure costs associated with this position will total \$1,000. Therefore, this bill will increase Other Funds expenditures by \$51,228 in the first fiscal year in which the compact becomes active and by \$50,228 each year thereafter. It is not known when and if this compact will go into effect.

The total expenditure impact of this bill on LLR is undetermined due to unknown expenditures related to travel expenses for commission delegates, the annual assessment levied by the commission, investigatory expenses, participation in the commission's data system, and additional board meetings. However, compact privilege fees paid by applicants could be established by the board and could generate the necessary revenue to offset anticipated expenditure increases.

This fiscal impact has been updated for an additional response from LLR.

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 and allows compact states to recover costs related to adverse action taken against licensees. Because the board does not know how many new applicants will seek compact licensure, what compact privilege fee the board will set for compact licensure, or how many instances of adverse action will occur upon entry into the compact, LLR is unable to estimate the expected revenue from these sources.

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. Because the total amount of increased costs to the board is unknown, LLR is unable to determine the exact revenue impact to the General Fund. However, LLR anticipates the revenue impact of this bill on the General Fund will not exceed a few hundred dollars.

This fiscal impact has been updated for an additional response from LLR.

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

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 & Revenue

N/A



Frank A. Rainwater, Executive Director