

July 27, 2017 Roundtable Transcript

Streamlining Licensing Across State Lines:  
Initiatives to Enhance Occupational License Portability

Hosted by the Federal Trade Commission's  
Economic Liberty Task Force

July 27, 2017

Constitution Center Auditorium  
400 7<sup>th</sup> St SW  
Washington, DC 20024

**Welcome Remarks and Announcements.....3**

Tara Isa Koslov (FTC)

**Opening Remarks.....4**

Acting Chairman Maureen K. Ohlhausen (FTC)

**Panel Presentations and Discussion.....7**

Panelists: Marcus Beauregard (DoD), Rick Masters (CSG), Phillip S. Rogers (NASDTEC), Jon Thomas (IMLCC), Katherine Thomas (NCSBN), Virgil Webb (AICPA)

Moderators: Karen A. Goldman (FTC), Katie Ambrogi (FTC)

## WELCOME REMARKS AND ANNOUNCEMENTS

- **Tara Isa Koslov, Acting Director, Office of Policy Planning, Federal Trade Commission**

TARA KOSLOV: So good afternoon, everyone. My name is Tara Koslov. I'm the Acting Director of the FTC's Office of Policy Planning. I'm delighted to welcome you to the Economic Liberty Task Force's first public roundtable, *Streamlining Licensing Across State Lines: Initiatives to Enhance Occupational License Portability*.

When Acting Chairman Ohlhausen convened the Task Force earlier this year and asked OPP to run the project, I knew we had an exciting opportunity, first to extend and deepen the Commission's longstanding work on occupational licensing issues, and second, to promote a national dialogue on occupational licensing reform and how it can reduce barriers to entry, enhance competition, and promote economic opportunity. The Task Force will take full advantage of the Commission's policy and advocacy tools to achieve these goals, and today's roundtable is an excellent example.

On behalf of the Task Force, thanks to those of you joining us today in person and also via our live webcast. We extend special thanks to our terrific roster of speakers for taking the time to travel here and share their expertise with us. And I personally want to thank both Karen Goldman and Katie Ambrogio, my two fantastic OPP staffers who organized this whole event and will be moderating today's discussion.

Before we begin our substantive program, it's my job to quickly review some administrative and safety details. Please silence any mobile phone and any electronic devices. If you must use them during the roundtable, please be respectful of the speakers and of your fellow audience members.

Please be aware that if you leave the Constitution Center building for any reason during the roundtable, you will have to go back through security screening again. You all received a lanyard with a plastic FTC event security badge. We do reuse those for multiple events, so please, when you leave for the day, do return your badge to the event staff.

Restrooms are located in the hallway just outside the conference room. There are big signs labeling them. We will be live tweeting during the event. I'll be doing that with some other staff over at a table there. We're at the handle @FTC. We're tweeting at the hashtag #EconLibertyFTC, and others are welcome to use that hashtag as well. Wi-Fi is available. You should have seen a pamphlet outside on the tables with the Wi-Fi access code.

Please be advised that this event may be photographed, webcast, or recorded. By participating in this event, you are agreeing that your image and anything you say or submit may be posted indefinitely at ftc.gov or on one of the Commission's publicly available social media sites.

As I mentioned, the roundtable is being live webcast, with thanks to our tech team back there for making that happen. The webcast will be recorded. A transcript will also be generated, and these materials will be made available on the FTC website within the next few weeks.

The speaker presentations will be posted on the roundtable website, along with public comments received to date. If you wish to submit a public comment after the roundtable, you may do so at the link provided on the roundtable website. Our intent is to create a lasting resource for everyone interested in these important issues.

Our moderators do intend to leave some time at the end for audience questions. I suspect it will be very difficult to get to all of them, but the Task Force certainly will be reviewing all of them, so I do encourage you to submit them even if we're not going to be able to get to all of them.

We will accept questions by Twitter at the hashtag, as I said, #EconLibertyFTC. We will also accept questions via comment cards for people who are here in person. We'll have some staff walking around to distribute and collect the cards and bring them up to the moderators. If you need anything while you're here, please feel free to ask any of us who are wearing the official roundtable badges, including the folks out at the registration tables. And that is it for the housekeeping details.

I now have the great pleasure to introduce our first speaker, my longtime colleague and friend, Acting Chairman Maureen Ohlhausen. She was sworn in as an FTC Commissioner in April 2012, and was designated to serve as Acting FTC Chairman by President Trump this past January.

Among Maureen's many accomplishments, I'm proud we get to claim her as an OPP alumna. She previously served as OPP director, and I know she shares my view that events like this one are an excellent opportunity for the FTC to promote research, scholarship, discussion, and informed policymaking on issues of importance to American consumers. So please join me in welcoming Acting Chairman Ohlhausen.

[APPLAUSE]

## **OPENING REMARKS**

- **Maureen K. Ohlhausen, Acting Chairman, Federal Trade Commission**

MAUREEN OHLHAUSEN: Well, thank you, Tara, for that wonderful introduction. And what she didn't say was it was more like I sprung the Task Force on OPP, and they caught the ball and on.

First, I'd also like to thank our sister agency, the Department of Defense, for their participation. So as some of you may know, July is the month of the military consumer, and one of my other priorities is to protect military consumers. And just last week, we hosted a workshop in San



Now the FTC's mission is to enforce the antitrust laws, promote sound competition policy, and protect and advocate for consumers. We know that removing or relaxing barriers to entry

Our next panelist will be Dr. Jon Thomas, Chairman of the Interstate Medical Licensure Compact Commission. And he will make a presentation on the expedited pathway to licensure under the Interstate Medical Licensure Compact.

And the third panelist will be Phil Rogers who holds a doctorate in education and is the Executive Director and CEO of the National Association of State Directors of Teacher Education and Certification. And he will cover license portability for teachers. Katie?

KATIE AMBROGI: Our fourth panelist will be Katherine Thomas, who is a Fellow of the American Academy of Nursing, holds a master of nursing degree, and is President of the National Council of State Boards of Nursing. She will make a presentation on the Nurse Licensure Compact.

The next panelist will be Virgil Webb, who is Assistant General Counsel at the Association of International Certified Professional Accountants. He will present on license portability for certified public accountants under the Uniform Accountancy Act.

And last but not least, we will hear from Marcus Beauregard, Director of the Defense State Liaison Office of the United States Department of Defense. His presentation will be on military spouse license portability and license initiatives.

KAREN GOLDMAN: So we'll begin with Rick Masters' presentation.

RICK MASTERS: Well, good afternoon. I'm going to try to cover interstate compacts in eight minutes. So it's a Herculean task, but I think I can do it. Interstate compacts had a long and colorful history in our nation's governing structure, and they are simple and proven tools because of the length of time they've been around to provide for collective governance among the states by having the features of both a statute and a contract. So when states enter into compacts, they are entering into statutory agreements to regulate certain transactions in certain ways.

They are an effective means of cooperatively addressing any number of common problems, and certainly occupational licensure is not the only purpose for which compacts exist. Their principal value, in addition to being a creature of the Constitution that are authorized in our federal Constitution for statutory, contractual relationships between states, but allow the states to maintain collective sovereignty without the necessity of intervention by the federal government.

And as I said, they had a wide variety of uses. Originally, they were used for boundary disputes among the colonies. In fact, the Compact Clause of the Constitution actually can be traced back to the Articles of Confederation, and they were used even in the pre-constitutional days to regulate boundary disputes.

They're still used for that, but now are fully within the administrative regulatory regime of most states -- well, in fact, of all states -- to regulate any number of interstate transactions, including those on this slide. Transportation, environmental matters, education, corrections, public safety, and certainly occupational licensure. And those aren't all, just some examples.







So in 2013, the Federation of State Medical Boards convened a meeting to discuss this issue. There were talk and threats of a national license. And we're often asked, well, what's wrong with a national license?

Well, there's nothing wrong with a national license. We already have a licensing system in place that's state-based that works. And so while there's nothing wrong with a national license, why have another layer of bureaucracy, another system? And states are already doing this, and they're doing this well. They're doing it safely. And we realize that there may be a need to provide a better way of doing this.

And so I'm not going to go through every detail there, but the point being the FSMB, the Federation of State Medical Boards, convened a meeting of the states, state representatives, the  
dn(t)-0.00 s

Again, this is just to remind you the judicial process, one state at a time. What we were trying to achieve is this, where the physician goes online, goes into one portal or website -- that's the [imlcc.org](http://imlcc.org), fill out an application.

Now from there, once they fill out that application online -- we're going to go through this, because I've only got three minutes left -- the physician chooses in that application process -- the physician chooses what's called a state of principal license. They have to have a license. If they have a few licenses, they can pick a state of principal license. That state is going to vet the physician to make sure they meet the standards and the other eligibility requirements, and that state is going to perform that criminal background check.

The process of going through that

The FBI is able to do criminal background checks through a Public Law 92-544, which allows states to ping the FBI to get a criminal background check. That state law is very technical, and that state law requires that a state have an enabling statute in order to query the database.

Unfortunately, every state's enabling statute is not the same. It's a little different. And every state has to ask the FBI for the blessing in order to do -- if the statute meets the standard. And so four states have not met the standard. Arizona has since corrected its statute. In Minnesota, we've tried twice, and we're still waiting to see if our statute suffices.



oftentimes -- don't meet that definition, and they have to start literally all over with assessments and course requirements, and it's a very, very frustrating experience.

Most states work very hard to make sure that teachers can come into their state as seamlessly as









were in DC and want to serve clients within an hour's drive, you're going to have to have maybe three, four, five licenses.

In addition, the UAA has public protection provisions. A part of the licensure requirements in the UAA are that if you're using this practice privilege, you consent by using it to the jurisdiction of the practice privilege state, as does your firm. In addition, they can just treat you basically as they would treat their own licensees. You would be able to be fined by them. They could revoke or suspend your practice privilege if they chose to do so.

But there's also what we call a home gets you provision in the UAA under which action is going to be taken against your license. Obviously, the practice privilege state can't do that, so the provision in the UAA provides that your home state must investigate a complaint by another state's board, and your home state can discipline you for some violation of the other state's law, even if it's not a violation of their own laws. So in other words, if your state would allow you to do something but it's a violation of the other state's law, you can be disciplined by your home state.

The UAA also made some changes in reciprocity. So if your principal place of business changes, if you relocate, you must get a license in the state in which you've relocated to. I think that's not grammatically correct, but that's the fact.

But the UAA was changed to allow for expedited reciprocity if you personally had qualifications that matched those in the Uniform Accountancy Act. Or there's always been a safety net with regard to reciprocity. If you have four years of accounting experience in the last 10, you can get reciprocity if you pass the CPA exam.

I'm going to skip a few things since I don't want to go over time here. But I'll tell you that we've worked hard for the last 20 years to get this done. We now have mobility adopted -- is the map up? Green one?

FEMALE SPEAKER: Yes.

VIRGIL WEBB: Hot dog. Mobility, meaning practice privileges, have now been adopted by 53 of the jurisdictions. And a couple of the others -- doesn't show up too well there -- a couple of the other states are working on it. But in all those states, practice privilege legislation has been enacted.

Now we've evolved the UAA over the years. Initially, it required notice. That's been taken out. Some other provisions have been changed. But the next logical step with UAA was to allow for firm mobility. Certain things would require a license in the state. For example, if you're going to issue an audit report in the state.

But the UAA, in our most recent iteration, now allows for firm mobility. So your firm can operate across state lines in these 21 jurisdictions even if -- as long as it has licensure in a state that has UAA standards for firm licensure.

On our website, we've developed a number of things to help CPAs. We have a mobility tool that was developed with NASBA. The CPA can plug in the state of licensure, the state that they want to practice in, and what sort of work they want to do, and get more information about how the facts on the ground are with regard to practice in that state.

And we also have -- the NASBA has established a National Qualifications Appraisal Board, or service, rather, that allows CPAs who want reciprocity to be able to take their information provided to the state -- rather, provided to NASBA, and NASBA can verify whether they meet the standards of the UAA to enable them to get the expedited reciprocity that I talked about earlier. So with that, I see I'm getting a red light. Thank you very much.

KAREN GOLDMAN: Thank you very much for the very interesting presentation on CPA portability.

KATIE AMBROGI: And now we'll hear from our last panelist, Marcus Beauregard.

MARCUS BEAUREGARD: Good afternoon, all. I appreciate very much being here. We are representing obviously a different group than the rest of the panelists. We are essentially from the Department of Defense. We're looking at a very small segment of a broad basis in terms of licensure requirements.

Just to give you an idea about military spouses, who are they? Their average age is about 31 and a half years. If you're familiar with the military, you have officers in enlisted ranks. About 500,000 of them are in the enlisted ranks. About 140,000 in the officer ranks. About 640,000 military spouses altogether.

About 40% of them are in the workforce, and 35% of them require licensing. So that fits very much with what had been said before about 25% to 30% of occupations require licenses. So they fit maybe a little bit higher than that. All in all, there's about 90,000 military spouses who require some kind of a license.

What I'd like to do is show you a few slides, first of all, just to explain what our office is about, why we were established. Go through our experience in terms of working with states to improve licensure for these military spouses. Then look at some of the initiatives that we have ongoing and talk a little bit about what we're doing for the future.

So very quickly, our office, the Defense State Liaison Office was created by the Under Secretary of Personnel and Readiness because he recognized that many of the things that impacted military spouses happened at the state level, or military families writ large happened at the state level, and really cannot be changed by federal policy or through DoD policy. So our office started working on issues that essentially reduced barriers for these military families or comported laws that just didn't connect when it came to military families moving around.

I think the one thing I forgot to tell you about military spouses or military families in general is that they move about every two to four years. And that was the genesis of a lot of the issues, the barriers that we found that we were working.

So our offices worked a number of different issues, just about every title in state statute. And basically, because we're a part of the federal government, we don't go there to lobby. We're there just to educate legislators. And for the most part, they find that they are more than willing to help us with these issues.

So what we've done for -- oh, excuse me. This is our staff, just let you get some feeling for how many people are involved in this process. We have nine regional -- excuse me -- eight regional liaisons and one senior liaison who works with the states. And that's basically our staff who go

In addition, most of the requirements that we covered did not cover teachers. Most of the states that reviewed our requirements did not cover teachers. And so we've gone back and asked states to consider specific changes to statutory requirements for teachers to improve their licensure experience. And so thus far, we've had 16 states that have made some improvement in terms of expediting, improving the testing pro forma that they have to allow military spouses to more quickly become licensed.

In addition, we've been working with occupations that have started their process of getting states to approve their occupational license compact. So far, we've worked with physical therapy, but we're also looking forward to working with about five additional ones this coming year to see if we can help at all, and assist them in terms of telling the story to legislators how an occupational compact can also help military spouses in their ability to move between states. And with that, I'll turn it back over. Thank you.



KAREN GOLDMAN: Right. And that's the point that I wanted to raise in asking this question about whether some of these efforts can help not just military spouses, but everyone. For example, the certification that Marcus was mentioning or the use of temporary licensure or substantial equivalency standards, are those things that can help in other areas?

JON THOMAS: I can speak to Minnesota. One of the things in Minnesota -- it's sometimes that the solutions are simple. So in preparation for the compact, we looked at our processes in Minnesota to figure out, what can we do to speed up the licensing process?

And it turns out, one of our barriers to expediting a license is that if a person applies for a license, say, in January, they won't necessarily become a full licensee until our next board meeting, which is sometimes two months later. So then we had to figure out, can we do a temporary license, which we did. And then we had an expedited process to try to speed up that process.

But then we realized that, why are we waiting in some cases two months for the board to meet to basically check and just say, I move this? And then we don't really debate ever, because it's a list of, you know, 150 licensees.

So we've just given our staff the ability to basically issue a license on any clean application where there's no problem, which helps everybody. If there's an issue, well, then that triggers an evaluation by the licensing committee. That alone has helped significantly process an application, and now we can issue a license within a week.

KAREN GOLDMAN: Thank you. So one of the other things we'd like to talk about is the mutual recognition model and the expedited licensure model. It's a key difference that we've heard about, and we've already heard some of the reasons why organizations have chosen one or the other. But perhaps panelists would like to weigh in a little bit more on that and why they chose one model or the other, and why it works for them.

KATHERINE THOMAS: OK. I think for nursing, even in the '90s, we thought that there was so much similarity in the requirements for nurses, an established profession that had been around nearly 100 years. We thought that this would be easier to use a mutual recognition model, make it easier for the licensees and easier for the bureaucrats who have to process all of this work.

So we proceeded with mutual recognition. We believed it was more of a seamless model. And particularly with the new enhanced compact when we have established standards or uniform requirements for that license, then I think that even further supports the mutual recognition model.

JON THOMAS: With the physician and the development of the physician licensure compact, there are 890,000 physicians in the -- I haven't seen the latest census. So the person out there with the latest census --

AUDIENCE: 950,000.



JON THOMAS: I'm sorry. 890,000 was the last time that came out recently. It was 950,000 licensed physicians in the country. And the state medical boards were clear that they wanted a license issued, because they feel that in order to take expeditious action on someone who practices substandard medicine, they needed to act quickly. They felt the only way to do that would be through acting on a license.

The endorsement model was something that was discussed in medicine at the turn of the century, and there's reciprocity that was discussed as well. But it's taken a long time --

JON THOMAS: And some of this may simply be, as you stated, tradition. Getting -- the idea of a compact was somewhat of a Herculean task to convince people that this was safe to do for physicians. And so over time, it may change. I know in Minnesota, we're also actually doing something.

We're trying to bridge the gap with our nursing colleagues to talk about ways of working together, as well as with our pharmacy colleagues. And I know the Federation of State Medical Boards is also working with the NCSBN. Some of these, as we start to share more information, we may find that some of these things are just historical and probably really don't matter when it comes to patient protection.

KATIE AMBROGI: So one of the other variations that we've been talking EMC /"ve wrt4:syou sR33(t)-cal

at those right away. We flag people who are under significant investigation for significant issues, so if they move to another state to seek a geographic cure, they have a way to know that. That's one of those things that I think is pretty essential to it.

But I think a database is a challenging thing. And we've worked at the National Council with the EMS Compact to share a platform so they can build their database there.

I think the other one I would mention as a challenge is just educating everybody about what changes mean. So with nurses, educators, faculty members and the students, the employers, everybody has to understand how this all works and help to police it, in a way. Because if a nurse moves to our state, they're going to have to apply and get a license. They can practice under their privilege, but if they change their residence, they're going to have to get a license. So the employers play a very key role in reminding people of things they need to do.

But education doesn't just take place in the beginning. It takes place over and over again. And I think that was one of the things we did not anticipate when we started.

KATIE AMBROGI: Phil, were you going to say something?

PHILLIP ROGERS: Yes, I was just going to -- one of the things that I failed to mention was that we surveyed our jurisdictions. We call them jurisdictions because we have territories in DC, and actually a couple of provinces in Canada that are jurisdiction members of NASDTEC.

Twenty-seven states, jurisdictions, indicated that they were full reciprocity states. We gave them

KATIE AMBROGI: So -- go ahead.

JON THOMAS: Well, I was just going to echo that, yeah. Education, education, education. We thought, being new to this that, oh. It's perfectly rational and logical. You read the statute and it'll happen. And we're finding out that -- I feel like I'm trying to germinate a bud here, and I've got tree trunks, massive trees sitting next to me, and I'm trying to help get this compact off the ground with the physicians.

Every state -- to uniform licensing, as Rick said, it's uniform. The issue we're running into is that the state processes are all different. Every state has a different process for how they do things. And so we're really running up against some state medical boards are independent, have a lot of autonomy, are able to do what they need to do very quickly to interact with the compact. Other states are under the Department of Health, and so sometimes it's not as receptive to getting things to change, to getting things to work.

And we're finding that we have to educate a lot. We have to educate them on the compact itself and what the compact says and what it doesn't on what our intentions are. So that's a really key piece of that. And I'll echo the database piece as well that we're just starting to talk about. So we'll probably invite you to one of our compact commission meetings to talk about it.

KATIE AMBROGI: So a quick follow-up question to that is, relevant to interstate compacts, how important is the authority of the compact commission to pass binding rules without action by state legislatures or licensing boards? And for initiatives that are operating by model law, would it be desirable to have that authority?

~~RICK MASTERS~~: Can I take a crack at that since it's a legal question? I go: -1(s)-1(v(te)6(ve)4(l)-2(l)-2-20( e<4

this done. But now that this mobility is going to be available, we will be able to get it done. So that's anecdotal, but that is something I recall.

KATHERINE THOMAS: I would just add that under the original compact, we had to get rules adopted whenever changes were made in all compact states, state by state. Some states have pretty difficult processes for rulemaking. It has to be approved by a legislative body or another administrative body in the state. There are timelines that are different and vary quite a bit.

So it was one of our lessons learned from the first compact, is that doesn't work. Because until the states have all adopted a rule, it's not really in effect. And we would wait several years before we could get to that point sometimes. So when this opportunity to look at rulemaking came along, it was certainly on our agenda as we developed the new nurse licensure compact to have a central rule making process.

To emphasize again what Rick said, that this is not affecting state practice laws. This is about the operations of the compact. It covers things like, how long can you practice in a new state before you have to apply for the license when you've changed your residence? It covers things like, how often or how quickly does a board have to report significant information to the database in order for the other states to have access to it?

And so under the old compact, our rule now is 10 days. But almost all the states now have gone to daily uploads. So at any rate, rulemaking, I think, done centrally for these purely operational purposes is going to be very effective and is based on federal law for rule adoption.

KAREN GOLDMAN: Well, thank you. We've heard a bit about uniform licensure requirements, and first I would like to clarify. My understanding was that under a model law, you could also have uniform licensure requirements, and I just wondered if the panel could address the importance of those requirements, and whether the standards should be sort of a minimum standard or set the bar higher than individual state requirements. And what are the advantages and disadvantages to setting the bar at those levels?

JON THOMAS: I'll be happy to start. Our compact actually sets the bar higher than the usual licensure standard, and that's because the states felt that if they were going to enter into this compact, it needed to be a higher bar. It couldn't just be the typical licensing bar. And so yeah. I

)ni (9.0)6 KAREN GO30 DMJAN Anyondesantto wigh i

PHILLIP ROGERS: The NASDTEC provides support for our members through a system called the Clearinghouse. The Clearinghouse, when an educator has action taken against them -- and you know, by the way, educators is the largest profession in the country -- 3.1 million educator teachers out there. And when you look at the number of cases where a certificate is suspended or revoked, you round it up to the two digits and you still don't have anything. I mean, it's a very small group of people.

But every time something happens, it doesn't say, person, man arrested for DUI. The headline always says, teacher arrested for DUI. The Clearinghouse allows states to enter the information. Once that hearing -- and most of those hearings are administrative hearings when action is taken against the certificate. And it is a final decision and public, and it's entered into the Clearinghouse so that all states can look at that information.

We now, since last August, provide that information to school districts who want to have access. Because you may be a teacher who leaves a state, lost your certificate. You go to another state and you don't apply for a certificate position. You go to a school district and you apply for a non-certified position. Since there are administrative hearings and there were no fingerprints, there's no criminal background check. Nothing's going to show up there. Then you are able to get the position.

So now we allow districts to have access to the Clearinghouse as well, which is going to be in any kind of movement where we are making toward more uniform practice in certification. That's going to be a very important component of it.

JON THOMAS: The safety piece for the Interstate Medical Licensure Compact Commission really falls to the states. We -- and this was discussed earlier about the commission having power. There's a lot of -- at least in the medical community, there's concern that this commission is going to draft laws and do something to take over the practice of medicine. It really just governs the process.

Then there's a public side. So there's information on past disciplinary history if you look up a licensee. So the public, we believe, has that right to know, and so they can look on there and check that out. That's part of a public safety, public protection initiative. But enforcement is really that mechanism, and it is at the state level, and it's incumbent upon the state to take action when it's appropriate.

RICK MASTERS: Can I make one statement?

KAREN GOLDMAN: Sure, of course.

RICK MASTERS: Just to put a cap on this, the compacts in medicine and nursing, however, do extend the ability of the respective medical or nursing boards to communicate with each other about a disciplinary case to decide where a licensed physician that has licenses in multiple states or a licensed nurse that has to practice in other states does something wrong as to which state will take the lead of the investigation, how that would be handled. And it makes it less possible, particularly as more states enact the compact, for somebody to slip through the net, so to speak, and just run to another jurisdiction where in the past they might have been able to avoid sanction. So I think that's an important public safety issue as well.

JON THOMAS: So if I can answer that, in fact, one state that was very vehement in the fact that we needed to have this mechanism, because in this particular state, they would have to get an injunction to pull a physician out of practice. And they said, if you've got a physician who's doing something that's just dangerous to the public, I know in some states, you can remove that physician within 24 to 48 hours of getting that complaint.

And this state said, listen. I want to be able to remove this person from practice within 24 hours, 48 hours, and I don't want to have to go and get an injunction and to do all of these things. So we were very clear -- I mean, it was very beneficial for some states to see, OK. The patient protection mechanism is actually stronger. And so we actually like that aspect of the compact more than the other piece of the compact.

KAREN GOLDMAN: OK. So we'd like to discuss a little bit about the effectiveness of the various initiatives, the compacts and model laws. And also the initiatives going on in the DoD at reducing barriers to entry in licensed occupations. Of course, some of these initiatives have been going on longer than others, and may have more information about how effective they are. But as much as you're able to discuss, and basically about increasing the supply of licensees and promoting competition among service providers.

JON THOMAS: I'll go from smallest -- we can go from smallest to most mature. I got some information from our standpoint. We're --





KATHERINE THOMAS: If I could tag on to Marcus's comment, we held a forum, National

don't, there needs to be consequences to that. And so that is one of the commission's key jobs, particularly in our enhanced compact, to give them that enforcement authority over states.

I think the other roles, including rulemaking, are critically important because we have to continue to operate, and we have to have certain guidelines to operate under. And so I think that's important as well. And our group, our commission meets twice a year, face to face, and then they meet by teleconference another four times a year during the year to talk about issues that are coming up and how we might address those problems before they become bigger.

KATIE AMBROGI: Thank you. So taking a step back, can you talk about some of the major hurdles to setting up your license portability initiatives? And for those groups who may just be beginning this process, can you offer one or two suggestions that would be useful for moving forward with that process?

RICK MASTERS: Let me start by saying having the right stakeholders at the table is critical to make sure it's not just the regulators or not just the professional association or not just interested members of the public, but everybody that has a stake. Including some legislative participation, at least to know that this is coming and to get some suggestions on how to move forward. That would certainly be one key critical factor.

KATHERINE THOMAS: I think one thing I would add is to know who your supporters are and know who may be working against you, and try to resolve issues so that everybody at least is heard. And if there are ways to address concerns, you can do that.

We've had a lot of support with the compact, but we have had our own detractors, and that's what led us to develop the new eNLC was our own boards of nursing didn't want the compact in their state. So addressing their concerns, we believe, is being realized as very effective.

JON THOMAS: And our lesson is that we -- run it by the FBI before you--

[LAUGHTER]

--you're going to do anything, or make sure that piece is clear. But I would echo the issue with detractors. It's interesting. I've learned from this process, typically working in hospital situations and with insurance boards, there seems to be -- you're all on the same team. Sometimes in this

assisted us to have a model law that there was a certain amount of uniformity. A lot of uniformity, perhaps even before the effort started. And you know, when you called and we talked to you the other day, I was like, oh, yeah. Oh, yeah. 20 years. So it is something that it can't happen overnight.

KAREN GOLDMAN: We're looking through the question cards, which we just got at this point. So this question is for Rick Masters, and it's about, how does a compact come into existence, and who can start the process, and who pays for it? And how is the compact commission formed and staffed?

RICK MASTERS: It's just like any other statute. It's enacted by both chambers and signed by the governor except in Nebraska, where it's unicameral. But you have to go through the same process.

The unique thing about compacts is that the language, because it's contractual, has to be substantially similar. And so unlike other types of legislation, legislators aren't free to just amend the statute on a whim, and really not at all if it significantly changes the way that the compact will function.

Typically, stakeholder groups find ways to finance these efforts if they are important to the profession, and it's usually some combination of either grants from other organizations, including government and self-funded opportunities that are created through the professional associations and through regulatory mechanisms. They are -- what was the other issue in terms of creation?

The commission is a creature of statute, and the examples here today from nursing and medicine are joint agencies of the states. They are not nonprofit corporations. They are not private

think that the compact administrators have looked at the overall benefit, and perhaps that will mean, you know, a license fee for people who live in your state that may be a little bit higher. But they'll only have to have that one license.

I've been in the compact for 17 years, and we've never increased our fees for compact reasons, partly because the population continues to grow. There are more nurses. There's more revenue coming into the boards. And this is pretty much true across the country. What you will see is that sometimes states who are smaller feel the impact more than states that are bigger. They just have less revenue.