



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 1136 Amended by the Senate on April 5, 2022
Author: Loftis
Subject: Audiology and Speech-Language Pathology Interstate Compact Act
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Coomer
Impact Date: April 25, 2022

Fiscal Impact Summary

This bill as amended allows 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). The compact has been adopted by more than ten states and may be fully operational by 2023.

The overall expenditure impact on the Department of Labor, Licensing, and Regulation (LLR) is undetermined. However, this bill as amended will increase Other Funds expenditures by \$51,228 in FY 2022-23 and by \$50,228 each year thereafter for the addition of 1.0 FTE for LLR. Further, the bill as amended will increase Other Funds expenditures of LLR by an undetermined amount due to unknown 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.

This bill as amended will have no expenditure impact on the Department of Health and Human Services (DHHS), since the agency previously expanded the provision of telehealth therapy services.

This bill as amended will have no expenditure impact on the Public Employee Benefit Authority (PEBA) because the potential increase in access to medical coverage under this bill as amended is not anticipated to significantly affect insurance premiums or the agencies' responsibilities.

This bill as amended is not expected to have an expenditure impact on the Department of Insurance (DOI) or other state agencies because the potential increase in access to medical coverage under this bill as amended is not anticipated to significantly affect insurance premiums or the agencies' responsibilities.

This bill as amended is not expected to have an expenditure impact on the State Law Enforcement Division (SLED), as we anticipate that the requirements of the bill as amended can be managed within the normal course of agency business.

The revenue impact of this bill as amended 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 2021-22 Appropriations Act will exceed a few hundred dollars.

This bill as amended may increase either General Fund revenue or Other Funds revenue of SLED by approximately \$4,450 in FY 2022-23 and each year thereafter due to fees collected by the agency for state criminal records checks.

While this bill as amended could result in more accessibility for certain covered medical services, this bill as amended is not anticipated to lead to an increase in premiums within the state. Therefore, the bill as amended is not expected to have a revenue impact on insurance premium taxes

Explanation of Fiscal Impact

Amended by the Senate on April 5, 2022

State Expenditure

This bill as amended allows 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). 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 as amended specifies 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 as amended also establishes the qualifications for audiologists and speech-language pathologists 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 has been adopted by more than ten states and may be fully operational by 2023.

Department of Labor, Licensing and Regulation. This bill as amended 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 as amended allows 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 as amended 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 as amended. The cost breakdown of board meetings includes a \$35 per diem for each board member, a 58.5 cents 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 as amended.

This bill as amended creates additional administrative duties that cannot be managed by existing staff. Therefore, LLR anticipates that it will require 1.0 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 as amended will increase Other Funds expenditures by \$51,228 in FY 2022-23 and by \$50,228 each year thereafter.

The total expenditure impact of this bill as amended 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.

Public Employee Benefit Authority. This bill as amended 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 as amended without having to increase state insurance premiums. Therefore, this bill as amended will have no expenditure impact on PEBA or state agencies to cover any additional medical services.

Department of Insurance. DOI previously indicated that similar legislation could result in more accessibility for certain covered medical services. The agency anticipated that this would not result in an increase in premiums within the state nor in a change in DOI's responsibilities. Therefore, this bill as amended is not expected to have an expenditure impact on DOI.

Department of Health and Human Services. This bill as amended 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 impact as a result of this policy change, but they do not anticipate this legislation will have an impact on the agency. Therefore, this bill as amended is not expected to have an expenditure impact on DHHS.

State Law Enforcement Division. We anticipate that the bill as amended will require SLED to perform activities that can be conducted in the normal course of agency business. Therefore, we do not expect that this bill as amended will have an expenditure impact on the agency due to the provision requiring a state criminal history records check and fingerprinting for applicants to the board.

State Revenue

This bill as amended allows 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). 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 as amended specifies 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 as amended also establishes the qualifications for audiologists and speech-language pathologists 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.

Department of Labor, Licensing and Regulation. This bill as amended 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 2021-22 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 as amended on the General Fund will not exceed a few hundred dollars.

Department of Insurance. DOI previously indicated that similar legislation could result in more accessibility for certain covered medical services. The agency anticipated this would not result in an increase in premiums within the state, and therefore, would not increase insurance premium taxes. Therefore, this bill as amended is not expected to have a revenue impact for insurance premium taxes.

State Law Enforcement Division. We anticipate that the bill as amended may increase the number of state criminal records checks that SLED is required to perform. The total cost for a criminal records check is \$51.75, of which \$25 is retained by SLED. The vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the Federal Bureau of Investigation. SLED previously indicated on similar legislation that these fees may increase slightly as the state is currently operating under a six-month emergency contract extension with the vendor. 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.

In a similar bill, LLR indicated there have been an average of approximately 178 initial licenses granted for audiologists and speech-language pathologists between FY 2016-17 and FY 2019-20. If state background checks are performed on an average of 178 individuals a year, revenue would increase by approximately \$4,450 each fiscal year. We have reached out to SLED for updated criminal records check data as it is not clear if the increase in revenue of \$4,450 will be more or less than the \$4,461,000 cap on revenue deposited to the General Fund. However, this bill as amended will increase either General Fund revenue or Other Funds revenue of SLED by approximately \$4,450 in FY 2022-23 and each year thereafter. We will update this fiscal impact statement contingent upon a response from SLED.

Local Expenditure

N/A

Local Revenue

N/A



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