

# What are the models for healthcare compacts?

There are 2 basic models being used in the healthcare licensing and regulatory fields:

- Privilege to Practice Model
- Expedited Licensure Model

# Privilege to Practice Model

- Basic premise
  - Allows the privilege holder to practice in a remote state under the scope of practice of the state where the patient is located when receiving care.
  - Must hold a license in a “Home” state and be practicing in a “Member” state.
- Advantages
  - Cost limited to obtaining and maintaining a single license
  - Allows for multi-state practice without obtaining licenses
- Disadvantages
  - Tracking the practitioner – most states remedy with a registration or similar process
  - Ensuring compliance with state based requirements
  - Documenting eligibility for malpractice insurance, billing, and other administrative tasks

# Expedited Licensure Model

- Basic premise
  - Creates an expedited process to obtain licenses in multiple states.
  - Must hold a license in a “Home” state and can not begin practice until the license is obtained to practice in “Member” states.
- Advantages
  - A clear demonstration of authorization to practice is provided by each license obtained.
  - Allows for multiple state licensure quickly and effectively through a single application process.
  - Cost effective for 3 or more license applications.
  - Clear documentation of eligibility for malpractice, billing and other administrative tasks
- Disadvantages
  - Cost to obtain multiple licenses.
  - Ensuring compliance with state based requirements.

# Common Features that are shared by most Compacts - Administration

- It is a statutorily established governmental instrumentality, as recognized by IRS code § 115.
- The compacts are “created” by each member board state when legislation is passed and signed by the governor. This action makes the compact a discretionary state function – i.e. a part of that state’s government. Although the compact itself remains a unique entity beyond an individual state’s requirements.
- The compacts have rulemaking authority established in the initial legislation, which is binding on the member states.
- Generally, the compact is governed by commissioners appointed from each state with an elected Executive Committee.
- Administration is conducted by support staff employees, or a contracted organization serving as a “Secretariat”.
- The administrative part of the compact is headed by an Executive Director. The Executive Director generally also serves as an officer of the compact, most often as the compact’s Secretary.
- Funding models vary. However, most compacts are supported and receive financial assistance from the associated professional organization and/or member states.