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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Matthews/Armstrong</u>	<b>LAST UPDATED</b> <u>2/13/2025</u>
	<b>ORIGINAL DATE</b> <u>2/11/2025</u>
<b>SHORT TITLE</b> <u>Psychology Interjurisdictional Act</u>	<b>BILL NUMBER</b> <u>House Bill 242</u>
	<b>ANALYST</b> <u>Montano</u>

### REVENUE\* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Fee	No fiscal impact	(\$69.3)	(\$69.3)	(\$69.3)	(\$69.3)	Recurring	Board of Psychologist Examiners Fund

Parentheses ( ) indicate revenue decreases.

\*Amounts reflect most recent analysis of this legislation.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD	No fiscal impact	\$40.0	No fiscal impact	\$40.0	Nonrecurring	Board of Psychologist Examiners Fund
RLD	No fiscal impact	At least \$8.0	At least \$8.0	\$16.0	Recurring	Board of Psychologist Examiners Fund
Total	No fiscal impact	At least \$48.0	At least \$8.0	At least \$56.0		Board of Psychologist Examiners Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Duplicates Senate Bill 106

### Sources of Information

LFC Files

Agency Analysis Received From  
 Regulation and Licensing Department (RLD)  
 Department of Health (DOH)

## SUMMARY

### Synopsis of House Bill 242

House Bill 242 (HB242) enacts the Psychology Interjurisdictional Compact (PSYPACT), which is already in place in multiple states across the U.S. The compact standardizes the process for licensed psychologists to provide telepsychology services and temporary in-person psychological care across member states without requiring separate licenses in each jurisdiction.

By passing HB242, New Mexico would become a member of PSYPACT, aligning its regulations with those of other participating states. This would allow New Mexico-licensed psychologists to practice in other PSYPACT states and enables out-of-state PSYPACT-licensed psychologists to provide services in New Mexico under the compact's rules.

Under the compact, psychologists must hold a valid New Mexico license and obtain additional EPassport and Interjurisdictional Practice Certificate credentials to participate. The bill also creates a coordinated licensure information system, enabling states to share disciplinary and licensing data on participating psychologists. Additionally, an oversight commission is established to monitor compliance, investigate complaints, and enforce compact rules.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

The Regulation and Licensing Department (RLD) states HB242 will require RLD to update the NM plus licensing system at a cost \$40 thousand and incur \$8,000 in recurring travel costs.

RLD notes:

With respect to Article 7 of the bill, "Adverse Actions," the issuing state would incur expenses related to taking adverse action against a psychologist's privilege to practice within a member state. The issuing state is responsible for paying any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located. Potential expenses that may be incurred by the RLD on behalf of the Board of Psychological Examiners under this provision cannot be reasonably estimated at this time.

RLD does not attempt to project the loss in revenue associated with HB242. The purpose of the bill is to allow licensed psychologists outside of New Mexico to practice within New Mexico while not needing to apply for a New Mexico state license. This will lead to a decrease in potential revenue because RLD will no longer collect license fee revenue from out-of-state psychologists. Using psychologist license data from RLD, 306 active licensees have out-of-state addresses, and 236 live in a state outside of the compact. The total revenue generated from license fees and renewal fees from out-of-state licensees in noncompact states for FY24 is estimated at \$69.3 thousand.

## **SIGNIFICANT ISSUES**

RLD notes:

RLD consulted Board of Psychological Examiners members about whether it is believed the Board would support the passage of HB242. At this time, it appears the Board has not reached a consensus on joining the compact. There is significant concern among some board members about the ability to discipline psychologists who cause harm to New Mexico clients. There is also a concern that enforcement may be inconsistent across state lines leading to public harm.

RLD also notes:

Individual licensed psychologists can apply for one or more of the certificates required to participate in the compact: the EPassport to practice telepsychology and the Interjurisdictional Practice Certificate for the temporary in-person, face-to-face practice of psychology. The costs to obtain these certificates are passed down to licensees. The costs for the E. Passport are \$40.00 one-time APIT application fee, \$400.00 Application Fee and \$100.00 Annual Renewal Fee. The costs for the IPC are \$40.00 one-time TAP fee, \$200.00 Application Fee and \$50.00 Annual renewal fee.

## **ADMINISTRATIVE IMPLICATIONS**

HB242 would require the New Mexico State Board of Psychologist Examiners to adopt rules to better align with compact regulations. It would also require administrative staff to develop and to document procedures for reporting disciplinary action and submitting licensing information to the coordinated database managed by the PSYPACT commission.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB242 duplicates Senate Bill 106.

## **OTHER SUBSTANTIVE ISSUES**

Forty-two other states have joined the compact, which increases the number of licensed psychologists New Mexicans will have access to.

NM/SL2/rl/sgs