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FISCAL IMPACT REPORT

BILL NUMBER: CS/House Bill 33/HJCS/aSHPAC

SHORT TITLE: Psychology Interjurisdictional Act

SPONSOR: House Judiciary Committee

LAST UPDATE: 2/17/2026 **ORIGINAL DATE:** 2/3/2026 **ANALYST:** Montano

REVENUE* (dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
License Fee	See fiscal implications					Recurring	Psychology Fund

Parentheses indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD	No fiscal impact	\$70	No fiscal impact	\$70.0	Nonrecurring	Other state funds
RLD	No fiscal impact	At least \$8.0	At least \$68.0	At least \$76.0	Recurring	Other state funds
Total	No fiscal impact	At least \$78.0	At least \$68.0	At least \$146.0	Choose an item.	Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 10, 11, 12, 13, 14, 31, 32, 44, 45, and 50.

Sources of Information

LFC Files

Analysis of Impact of Interstate Healthcare Compacts on New Mexico Licensing

Agency or Agencies Providing Analysis

Regulation and Licensing Department (original bill)

The New Mexico Medical Board (original bill)

Health Care Authority (original bill)

SUMMARY

Synopsis of SHPAC Amendment to the HJC Substitute for HB33

The Senate Health and Public Affairs Committee amendment to the House Judiciary Committee substitute for House Bill 33 clarifies who receives immunity, by limiting coverage to officers and employees, and for indemnification coverage, by limiting it to the executive director and

commission staff. No longer explicit is coverage for state delegates.

Instead of a broad group, the commission would defend and indemnify its core staff. This might reflect favorably in the commission's budget forecasts, which may mean lower state assessments. State delegates are likely already covered due to protections when acting in an official capacity.

Synopsis of HJC Substitute for House Bill 33

The House Judiciary Committee Sub for House Bill 33 (CS/HB33/HJC) enters the state into the Psychology Interjurisdictional Compact (PSYPACT) to facilitate interstate practice by licensed professional psychologists who meet uniform licensure requirements. The compact preserves each state's authority to regulate telepsychology and temporary in-person psychologists practices through its current system of licensure. Under the compact, "home state" is the licensee's primary state of residence and licensure; "member state" is a state that has joined the compact; "remote state" is a member state, other than the home state, where a licensee seeks a practice privilege. The compact invests in all member states the authority to hold a licensee accountable for meeting all of the state practice laws in which the client is located at the time psychology services are rendered.

Article 3 is about home state licensure and explains that a psychologist's home state must be a part of the PSYPACT to practice in telepsychology and temporary out-of-state practices. A home-state license authorizes interjurisdictional telepsychology practice in another compact state if the home state meets specific conditions. These conditions require the psychologist to hold an E. Passport and require the home state to maintain a system to receive and investigate complaints, report adverse actions to the PSYPACT commission, conduct background checks, and comply with the commission's bylaws. These same conditions also apply to home-state licensees seeking temporary authorization to practice in another state. These specific conditions are also required for any home-state licensee to be able to practice out of state via a temporary authorization to practice.

Article 4 establishes the compact privilege to practice telepsychology allowing a psychologist who is properly licensed in a compact state to provide telepsychology services in other compact states where the psychologist is not separately licensed. To use this interjurisdictional telepsychology authority, a psychologist must meet detailed education, licensure, and professional standards. Psychologists must also provide attestations regarding their scope of practice, competence in telepsychology technology, compliance with professional and legal standards, and consent to information sharing for verification, along with meeting any additional criteria set by the commission. Article 4 also explains that a psychologist's home state retains authority over the psychologist's license, while the receiving state controls the scope of practice within its borders and may limit or revoke a psychologist's telepsychology privilege to protect public health and safety. Any adverse action must be reported to the home state and the PSYPACT commission, and the psychologist's E passport will be revoked removing the psychologists ability to participate within the compact.

Article 5 establishes that compact states must recognize the right of a psychologist who is licensed in a compact state to practice temporarily in other compact states where the psychologist is not separately licensed. To exercise temporary authorization to practice, a psychologist must satisfy the previous requirements listed in articles 3 and 4.

Article 7 explains how discipline and adverse actions are handled among compact states. A home state has authority over adverse actions against its own psychology licenses, while a distant state may take adverse action against a psychologist's temporary authorization to practice, and a receiving state may act against a psychologist's authority to practice interjurisdictional telepsychology within that state.

Article 8 grants compact state psychology regulatory authorities' additional powers to enforce the compact beyond those provided under state law.

Article 9 requires the PSYPACT commission to create and maintain a coordinated licensure information system that serves as a shared database of licensure and disciplinary information for psychologists subject to the compact across all compact states. Each compact state must submit a standardized set of data on licensees, including identifying and licensure information, investigatory and disciplinary actions, revocations of interstate practice authority, participation in alternative programs, license application denials, and any other information needed to administer the compact.

Article 10 creates and governs the Psychology Interjurisdictional Compact Commission, a joint public agency formed by the compact states to administer and enforce the compact. Article 11 sets out the rulemaking process for the commission. It authorizes the commission to adopt rules and amendments that become binding on compact states as of their stated effective dates, unless a majority of compact-state legislatures formally reject a rule.

Article 12 establishes how the compact is overseen, enforced, and administered when disputes or noncompliance arise. It requires all branches of government in each compact state to enforce the compact and gives the compact and its rules the force of law.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The Regulation and Licensing Department (RLD) states in analysis for the original HB 33 will require \$70 thousand for RLD to integrate PSYPACT's application programming interface (nonrecurring) and then \$68 thousand in recurring travel costs and yearly updates to the PSYPACT's application programming interface.

RLD explains:

It is anticipated that the system will connect with participating states through an application programming interface (API). Such a system would require New Mexico to incur some costs to integrate PSYPACT's API into New Mexico's system and to pay for the ongoing costs of the MuleSoft software to translate the data. The RLD has some experience in integrating APIs into its current system as it has already done so for other licensed professionals. As a result, there is an idea of what costs it can reasonably expect to incur in integrating API systems into the RLD's NM Plus System. While these costs can fluctuate based on various factors, the RLD anticipates a one-time cost for implementation of approximately seventy thousand dollars (\$70,000) for two (2) APIs. In addition, when utilizing the API process, NM Plus requires the use of MuleSoft, a Salesforce-based software, to process and translate the data that is received from an API.

Multiple factors go into the costs involved with utilizing the MuleSoft software, but the RLD estimates a recurring cost of utilizing the MuleSoft program to be approximately sixty thousand dollars (\$60,000) for two (2) API's.

RLD analysis for the original HB 33 anticipated that the enactment of HB33 would decrease revenue generated from licensing fees by allowing two professions to practice in New Mexico without requiring a New Mexico-issued license and the accompanying license and administration fees. However, it should be noted that members of the compact participating in out-of-state temporarily authorized practice will be required to become licensed in the remote state if they practice for more than 30 days in the remote state, or in this case New Mexico. RLD included a report in its analysis of House Bill 45, "The Physician Assistant Licensure Compact", that included a section related to CS/HB33/JC. This report highlights that "PSYPACT does not necessarily generate new licensing revenue, but licensing levels in participating states remain steady meaning that revenue is unlikely to decrease." The enactment of CS/HB33/JC should have a negligible effect on fee revenue.

Here are RLDs calculations for the projected loss of revenue for the original HB33:

From January 1, 2023, through December 31, 2025, sixty-nine (69) Temporary Psychologist Licenses were issued by the New Mexico Board of Psychologist Examiners (Board), averaging twenty-three (23) per year. The licensing fee for Temporary Psychologists is three hundred dollars (\$300). Assuming all psychologists who wish to practice temporarily in New Mexico are able to obtain a TAP privilege from PSYPACT rather than a New Mexico-issued Temporary Psychologist license, the Psychology Fund would lose six thousand nine hundred dollars (\$6,900) per year in licensing revenue.

There are currently nine hundred fifty-four (954) licensees under the Board. Of those, three hundred fifty-seven (357) have out-of-state home addresses. Assuming that fifty percent (50%) of those (179 licensees) are only practicing telehealth in New Mexico, reside in a PSYPACT jurisdiction, and would practice under the APIT privilege rather than renewing their license, the Psychology Fund would lose eighty-nine thousand five hundred dollars (\$89,500) in biennial renewal fees, or forty-four thousand seven hundred and fifty dollars (\$44,750) per year in licensing revenue.

RLD also highlights that the New Mexico Board of Psychologist Examiners (Board) will be required to pay an annual assessment based on a formula determined by the PSYPACT commission. RLD highlights that the cap to this annual fee is \$6,000, but RLD is unable to determine the recurring cost.

SIGNIFICANT ISSUES

CS/HB33/HJC deletes the compact's description for "purpose." This could be seen as a material change if it alters the compact in a way that affects uniformity with other states. In the event of a conflict, courts could use the purpose statement as evidence of what a Legislature intended to do.

RLD had the following for significant issues related to the board's support of joining the compact, education requirements within the compact, and the bill's effective date:

RLD consulted the board about its position on the passage of HB 33. The board has not reached a consensus on joining PSYPACT. Some board members have indicated their support for the expanded access to services. There is significant concern among some

board members about the ability to discipline psychologists who cause harm to New Mexico clients while operating under these privileges. The board has also expressed concern that enforcement may be inconsistent across compact states leading to public harm.

RLDs comments relating to education requirements:

Because PSYPACT allows psychologists to participate in APIT and TAP with a master's degree, the psychologists practicing in New Mexico under those privileges may have less education and training than New Mexico psychologists, as licensees here must hold a Ph.D. in psychology to receive a license.

RLDs comments related to the effective date of the bill:

The RLD estimates developing and implementing the numerous administrative rule provisions that would be necessitated by HB 33 as well as the upgrades to NM-Plus licensing database, along with the implementation of CLIS, will require months to accomplish, and requests consideration be given to delaying the effective date of HB 33 to January 1, 2027.

ADMINISTRATIVE IMPLICATIONS

RLD provided the following information for administrative implications:

Enactment of this bill would require the Board to initiate rulemaking to adopt rules in accordance with the requirements, procedures and bylaws of PSYPACT. Administrative rulemaking under the requirements of the State Rules Act can be expected to take a minimum of one hundred-twenty (120) days to develop and draft proposed rules, publish proposed rules for public comment, conduct a public hearing, complete formal adoption proceedings and documentation, and publication of the final rule language before a new or amended rule takes legal effect. In addition, staff members from the RLD who provide administrative support to the Board will require training on how to report and obtain licensing and disciplinary action information with CLIS.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

In addition to HB33, the Legislature is also considering other workforce compacts:

- House Bill 10 Physician Assistant Interstate Compact
- House Bill 11 Audiology and Speech-Language Pathology Compact
- House Bill 12 Physical Therapy Licensure Compact
- House Bill 13 Occupational Therapy Licensure Compact
- House Bill 14 Dentist and Dental Hygienist Compact
- House Bill 31 EMS Personnel Licensure Interstate Compact
- House Bill 32 Counseling Licensure Compact
- House Bill 44 Dentist and Dental Hygienist Compact
- House Bill 45 Physician Assistant Licensure Compact
- House Bill 50 Social Work Licensure Interstate Compact

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

States that adopt workforce compacts score higher in the competitive portion of the federal Rural

Health Transformation grant program. New Mexico was awarded \$211.5 million per year for five years. If the state does not follow through with joining certain healthcare workforce compacts, New Mexico could lose out on hundreds of millions of dollars of future year funding.

NM/SEC/dw/ct