

TITLE 839 BEHAVIORAL HEALTH AND HUMAN SERVICES LICENSING BOARD

Economic Impact Statement

LSA Document # 25-820

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

In 2023, SB 160 (2023) was passed, effective July 1, 2023, requiring the Behavioral Health and Human Services Licensing Board (the “Board”) to administer the professional counselors licensure compact under IC 25-42.5, including adopting any rules necessary to administer the compact. The Professional Counselors Licensure Compact a/k/a the Counseling Compact (the “Compact”) is an interstate compact that allows professional counselors licensed and residing in a Compact member state to practice in other Compact member states without need for multiple licenses.

The Board has determined that a \$50 fee for the issuance of a Compact privilege is necessary so that the Board can recoup initial and ongoing administrative expenditures for the anticipated increased workload due to Indiana’s initial implementation of the Compact and anticipated increased ongoing administrative workload. The proposed rule imposes a fee on the issuance of a privilege to practice in Indiana as a licensed professional counselor through the Compact. This fee is imposed per SEA 160 (2023) and pursuant to IC 25-42.5-4-1(6).

The proposed rule imposes a fee on the issuance of a Compact privilege to practice as a professional counselor in Indiana. The privilege to practice expires every two years and reapplication for the privilege coincides with the Board’s renewal cycle. The fee was approved by the Behavioral Health and Human Services Licensing Board at their August 25, 2025 meeting.

The proposed rule communicates to the public the fee that Indiana receives for Compact privileges in Indiana. Additionally, after Indiana is able to implement the Compact (after establishing the fee in the proposed rule), several other benefits are identified by Indiana participating in the Compact:

- The Compact increases access to client care.
- When more states implement the Compact, the Compact will allow the facilitation of continuity of care when clients relocate or travel.
- The Compact will certify that counselors have met acceptable standards of practice.
- The Compact will promote cooperation among Compact states in the areas of licensure and regulation.
- The Compact will offer a higher degree of consumer protection across state lines.
- The Compact will allow licensed counselors to practice face-to-face or through telehealth across state lines without having to become licensed in additional Compact states.

- The Compact will permit counselors to provide services to populations currently underserved or geographically isolated.
- The Compact will allow military personnel and spouses to more easily continue in their profession when relocating.
- The Compact will allow military personnel and spouses to more easily continue with the same practitioner when relocating.

The proposed rule offers a new pathway for professional counselors to practice in Indiana. The proposed rule would allow Indiana to recoup the funds spent on additional workload from Compact implementation, as well as funds required for ongoing staff support. The costs associated with administrative expenses to collect the fee will be minimal, if any. The new fee under the proposed rule will not impose additional administrative expenses. Publishing this rule will allow the Board to implement the Compact in Indiana, which will allow the Compact members to begin practicing in Indiana. This will provide benefit to practitioners who can expand the geographic scope of their practice and benefits Hoosiers who will have greater access to licensed professional counselors. The benefits of the proposed rule likely outweigh the costs.

Primarily, when this compact fee rule is adopted and Indiana can begin collecting the fee from Compact members who apply to practice in Indiana, qualified mental health professionals who are licensed in other Compact states will be able to provide counseling services to clients in Indiana. With the well-documented and long-standing therapist shortage in Indiana¹, allowing mental health professionals from other Compact states to provide counseling services to Hoosiers will likely not have a negative impact on small businesses in Indiana.

As a secondary benefit, when this rule is adopted, Indiana will be able to move forward with implementing the Counseling Compact, which will allow qualified Indiana mental health professionals to obtain a compact privilege to be able to provide counseling services to clients in other states. Implementing the Compact in Indiana will open up the potential client pool for mental health professionals who have an Indiana license to practice in other Compact states, thereby providing more options for providing counseling services to mental health professionals licensed in Indiana.

¹ Elizabeth Gabriel. *All Indiana counties have a mental health workforce shortage. A new report provides solutions.* WFYI. (September 11, 2024), <https://www.wfyi.org/news/articles/all-indiana-counties-have-a-mental-health-workforce-shortage-a-new-report-provides-solutions>