



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

Updated 2/15/2022

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H.655 – an act relating to establishing a telehealth licensure and registration system

As amended by the House Committee on Health Care, Draft No. 3.2

<https://legislature.vermont.gov/bill/status/2022/H.655>

Bill Summary

The bill proposes to enact regulations pertaining to the licensure and registration of out-of-state health care professionals for the delivery of services to Vermont residents using telehealth.

Background

Act 91 of 2020 temporarily waived licensure and registration requirements for out-of-state health care professionals to provide services to patients located in Vermont through telehealth, or as part of the staff of a licensed facility provided they met certain criteria, until the termination of the declared state of emergency.¹ Act 140 of 2020 extended this provision through March 31, 2021.² Act 6 of 2021 further extended this provision through March 31, 2022.³ Prior to these acts, out-of-state health care professionals were required to have a Vermont license to provide these services.

Act 21 of 2021 created the *Facilitation of Interstate Practice Using Telehealth Working Group* to compile and evaluate methods for facilitating the practice of health care professionals throughout the United States using telehealth modalities.⁴ The working group recommended both short-term and long-term telehealth policy solutions for facilitating Vermont patients' and clients' access to telehealth care from out-of-state providers. H.654 – an act relating to extending COVID-19 health care regulatory authority (as passed by the House) – would address the short-term recommendations of the working group by allowing temporary registration for out-of-state health care professionals at no cost to the provider for the period April 1, 2022 through June 30, 2023.⁵ This bill – H.655 – includes long-term recommendations of the working group which recommended “effective July 1, 2023, the General Assembly require out-of-state providers wishing to provide telehealth services in Vermont to obtain a registration, telehealth license, full or compact

¹ <https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT091/ACT091%20As%20Enacted.pdf>

² <https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT140/ACT140%20As%20Enacted.pdf>

³ <https://legislature.vermont.gov/Documents/2022/Docs/ACTS/ACT006/ACT006%20As%20Enacted.pdf>

⁴ <https://legislature.vermont.gov/Documents/2022/Docs/ACTS/ACT021/ACT021%20As%20Enacted.pdf>

⁵ <https://legislature.vermont.gov/Documents/2022/Docs/BILLS/H-0654/H-0654%20As%20Passed%20by%20the%20House%20Unofficial.pdf>

licenses.”⁶ The fees proposed in H.655 are based on recommendation from the Office of Professional Regulation’s (OPR’s) for out-of-state health care providers to register and obtain licenses to practice telehealth services in Vermont beginning July 1, 2023.

Sec. 1

- Sec. 1 proposes a biennial telehealth license fee which would be equivalent to 75 percent of the renewal fee for each of the 43 professional license types specified in the bill. It also proposes a late renewal penalty of 75 percent of the late renewal penalty established in 3 V.S.A. § 127 or in Section 1401a of the title as applicable.⁷

Estimated Biennial Fee Revenues from out-of-state providers

	H.655: % of renewal fees	H.655: Est. Fees	If paid at 100% for Full Vermont License	Difference (lost revenues)
License Revenue	75%	\$31,590	\$40,820	(\$9,230)
Registration Revenue	50%	\$189,500	\$367,400	(\$177,900)
TOTAL		\$221,090	\$408,220	(\$187,130)

- These estimates are based on the current population of out-of-state providers who hold a full Vermont license that may convert to a telehealth license or registration.
 - It is unknown how many of the out-of-state providers would either pursue full Vermont licensure, telehealth licensure only, or stop practicing in Vermont altogether.
 - OPR estimates that 25% of current out-of-state licensees would obtain a telehealth license or registration.
 - Note: At this time, OPR does not know how many out-of-state providers are currently practicing through telehealth only. Under the COVID-19 response regulations mentioned earlier, out-of-state providers who are providing telehealth only to Vermonters are not currently required to register with the state.

Sec. 3

- Establishes an effective date of July 1, 2023.

Fiscal Impact

- The estimated biennial revenue from the fee structure in Sec.1 is **approximately \$221,090**. The following chart shows the estimated annual revenues.

Estimated Fee Revenue FY 2023 - FY 2025

	FY 2023	FY 2024	FY 2025	Biennium
H.655 Telehealth License Fees	----	\$86,895	\$134,195	\$221,090
Full Vermont License Fees	----	\$159,430	\$248,790	\$408,220
Difference	----	(\$72,535)	(\$114,595)	(\$187,130)

- According to OPR, the IT costs of this proposal exceed ordinary modifications and enhancements.

⁶ <https://sos.vermont.gov/media/3wsps0eq/facilitation-of-interstate-practice-using-telehealth-working-group-final-report-ak.pdf>

⁷ <https://legislature.vermont.gov/statutes/section/03/005/00127>

As such, the IT system would require significant development. Further, the other administrative costs associated with the implementation of this bill include costs associated with rulemaking and staff time. OPR estimates these IT and administrative costs could range between \$250,000 and \$500,000.

H.655 - Estimated Administrative Costs

	One-Time Costs (FY 2023)	On-going Costs
Staff Time	\$125,000	\$40,000*
IT Costs	\$150,000 - \$200,000	\$10,000
Rulemaking	\$60,000	\$3,000
TOTAL	\$335,000 - \$385,000	\$53,000

** Dependent on the ongoing volume of new telehealth registrations and licenses*

Source: Office of Professional Regulations

- There are currently no appropriations in this bill. In the absence of an appropriation (and if the fees do not adequately cover the costs of the new telehealth changes), OPR will likely propose increased license and registration fees on in-state health providers next year to off-set the administrative costs and lost revenues.