

COUNSELING COMPACT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4591 as introduced
Sponsor: Rep. Karl Bohnak
Committee: Health Policy
Complete to 6-23-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4591 would amend the Public Health Code to enter Michigan into the Counseling Compact, which provides procedures to allow licensed professional counselors to practice in states that have joined the compact without having to be licensed in each individual state.¹ A compact is like a contract that states enter into by enacting it. This compact allows counselors licensed in one state to practice in others under a privilege to practice obtained through the compact. The compact, included in full in the bill, is briefly described below. The bill also would provide that a privilege to practice under the compact is equivalent to licensure in Michigan as a licensed professional counselor under Part 181 of the Public Health Code.²

Section 1. Purpose

The compact states that its purpose is to enhance license portability and increase access to medical services. Under the compact, the practice of professional counseling occurs in the state where the client is located at the time services are provided.

Section 2. Definitions

This section defines terms used in the compact. Notably, *privilege to practice* means the authorization that allows the practice of professional counseling in a *remote state* (i.e., a *member state* other than the *home state* where the licensee resides and is licensed).

Section 3. Participation in the compact

To participate in the compact, a state must do all of the following:

- Comply with the rules of the Counseling Compact Commission.
- Participate in the Counseling Compact Commission's data system (described below).
- Notify the Counseling Compact Commission of any adverse action or the availability of investigative information regarding a licensee.
- Have a mechanism in place for receiving and investigating complaints about licensees.
- Fully implement a criminal background check requirement for its licensees, within a time frame established by rule of the Counseling Compact Commission.
- Require licensees to pass a nationally recognized examination approved by the Counseling Compact Commission.
- Require licensees to have specified levels of education in at least all of the following:
 - Professional counseling orientation and ethical practice.
 - Social and cultural diversity.

¹ <https://counselingcompact.gov/>

² Generally speaking, licensed professional counselors provide services such as psychotherapy, counseling, or behavior modification techniques to treat mental, behavioral, and emotional disorders, including substance use disorders, for individuals, couples, groups, or families.

- Human growth and development.
- Career development.
- Counseling and helping relationships.
- Group counseling and group work.
- Diagnosis and treatment.
- Assessment and testing.
- Research and program evaluation.
- Other areas as determined by the Counseling Compact Commission.

A participating state must grant a privilege to practice to an individual who holds a licensed professional counselor license in another participating state and may charge a fee for it.

Section 4. Privilege to practice

To exercise the privilege to practice under the compact, a licensee must do all of the following:

- Hold a license in their home state.
- Have a valid U.S. Social Security or National Practitioner Identification number.
- Not have had any ***adverse action*** in effect against a license or privilege to practice within the previous two years. (***Adverse action*** means any administrative, civil, equitable, or criminal action imposed on a license or practice privilege, such as revocation, suspension, probation, monitoring, or practice restrictions.)
- Notify the Counseling Compact Commission that they are seeking the compact privilege in a remote state.
- Pay any applicable fees.
- Meet any continuing education requirements established by their home state.
- Meet any jurisprudence requirements (demonstration of knowledge of applicable state laws and rules) established by the remote state where they are seeking a privilege to practice.
- Report to the Counseling Compact Commission any adverse action taken by a non-member state within 30 days after that action.

A compact privilege is valid until the expiration date of the home state license. To maintain the compact privilege, a licensee must comply with the above requirements. If a home state takes adverse action against a license, the licensee must lose the compact privilege in any remote state until the home state license is no longer restricted and two years have elapsed from the effectiveness of the license encumbrance or restriction. If a remote state removes a licensee's privilege to practice, the licensee "may" lose the privilege to practice in all other remote states until the time period for the removal has ended, all fines have been paid, and the licensee has not had any encumbrance or restriction on any license or privilege to practice for two years.

Section 5. Obtaining a new home state license based on a compact privilege

A licensee who moves from one member state to another can obtain home state licensure in their new home state by meeting the requirements for a privilege to practice under the compact, without the need for primary source verification (except specified criminal background checks). A licensee can have only one home state license at a time.

Section 6. Active duty military personnel

Active duty military personnel or their spouses can designate a home state where they are licensed, and can keep that home state designation while the service member is on active duty.

Section 7. Telehealth

Telehealth can be practiced under a privilege to practice under the compact.

Section 8. Adverse action

A home state has exclusive power to take adverse action against a license it has issued, and a licensee's compact privilege is deactivated while an adverse action is in effect. If appropriate, a home state can take adverse action based on information from a remote state. A remote state can take adverse action against a licensee's privilege to practice and can issue subpoenas for hearings and investigations. Member states can conduct joint investigations, must enforce subpoenas issued by other member states, and must share any investigative, litigation, or compliance materials related to investigations under the compact.

Section 9. Counseling Compact Commission

The compact creates the Counseling Compact Commission, consisting of one delegate from each member state who is a licensing board member or administrator. The commission must appoint an executive committee, which can act on behalf of the commission and consists of seven voting members elected from commission members and four nonvoting members from recognized national professional counselor organizations. The commission must meet at least annually. Commission meetings must be public, but the commission or its executive committee can have closed meetings to discuss the employment, compensation, or discipline of specific employees; current or prospective litigation; member state noncompliance; or other specified topics. Among other listed responsibilities, the commission must establish bylaws; adopt rules; appoint committees; conduct its financial affairs and keep records; hire employees; exchange information with law enforcement agencies; establish fees or annual assessments; and take other actions consistent with the compact and its bylaws. The compact provides indemnity from liability for commission members and employees acting in the scope of their duties.

Section 10. Data system

The commission must provide for a coordinated database and reporting system with licensure, adverse action, and investigative information on all licensees in member states. Member states must submit identifying information, licensure data (including denials), adverse actions taken, and other specified information. States can flag information that is not to be publicly shared.

Section 11. Rulemaking

Commission rules or amendments to rules must be adopted by majority vote, with notice given at least 30 days before consideration. The compact provides procedures for hearings to be requested and held, emergency rules to be adopted, or corrections to be made to adopted rules. If a majority of member states reject a rule within four years of the rule's adoption (by passing a law or resolution in the same way the compact was adopted), the rule has no further effect.

Section 12. Oversight, enforcement, and dispute resolution

State officials must enforce the compact and take necessary actions to effectuate its purposes and intent. The compact and its rules have standing as statutory law. If the commission determines that a participating state has defaulted in the performance of its obligations or responsibilities under the compact, it must provide notice of the default and any actions to be taken to all participating states. A defaulting state may be terminated from the compact upon a majority vote of the participating states. The defaulting state may appeal that action by petitioning the U.S. District Court for the District of Columbia or another applicable federal district. The commission must enforce the compact and rules. The commission can sue a

member state that is in default of its obligations for injunctive relief and damages. If judicial enforcement is necessary, the prevailing party must be awarded all litigation costs. The commission also may pursue any other remedies available under state or federal law. Upon a member state's request, the commission must try to resolve compact-related disputes between states. The commission must issue a rule providing for both mediation and binding dispute resolution for disputes.

Section 13. Implementation date, withdrawal, and amendment

The compact took effect when it was enacted by the tenth member state. A state can withdraw from the compact by repealing it, with the withdrawal taking effect six months later. An amendment to the compact is effective and binding only if enacted by all member states.

Section 14. Construction and severability

The compact must be liberally construed to effectuate its purposes. Its provisions are severable. If any part of it is held invalid, the applicability of the rest of it is not affected. If it is held to violate the constitution of a member state, it stays in effect in the other member states.

Section 15. Binding effect of compact

If a law in a member state conflicts with the compact, the compact supersedes the state law. Commission rules and bylaws are binding on member states. Agreements between member states and the commission are binding in accordance with their terms.

MCL 333.18101 and proposed MCL 333.16190a and 333.18105a

BACKGROUND:

As of June 2025, legislation to join the Counseling Compact has been enacted by 36 states and the District of Columbia.³

Michigan is currently a member of one other interstate health licensure portability compact, the Psychology Interjurisdictional Compact.⁴

In 2019, Michigan became a member state of the Interstate Medical Licensure Compact, a health licensure portability compact for physicians. However, the provisions implementing for the state's membership were repealed on March 28, 2025. Michigan has begun its withdrawal from membership, a process that takes 12 months.⁵

Other recently proposed health licensure compacts include the Nurse Licensure Compact,⁶ the Physician Assistant Licensure Compact,⁷ the Occupational Therapy Licensure Compact,⁸ the Physical Therapy Licensure Compact,⁹ and the Audiology and Speech-Language Pathology Compact.¹⁰

³ <https://counselingcompact.gov/map/>

⁴ <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-333-16190>

⁵ <https://www.michigan.gov/lara/bureau-list/bpl/health/hp-lic-health-prof/medical>

⁶ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4246>

⁷ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4309>

⁸ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4103>

⁹ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4101>

¹⁰ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4509>

FISCAL IMPACT:

House Bill 4591 could have a significant fiscal impact on the Department of Licensing and Regulatory Affairs, although a precise estimate of the magnitude of the impact is currently unavailable (LARA). Under this bill, LARA would incur costs for investigating complaints against licensees and for the general administration and implementation of the compact's requirements. Such costs would include any incurred expenses for integrating Michigan's current licensing system with the compact commission's data system; these cost estimates are presently unavailable. The Counseling Compact Commission could also levy an annual assessment on Michigan to cover the costs of the commission's activities and operations. The state would also face liabilities if it defaulted on the compact. The magnitude of the costs is presently unknown, as the costs would be dependent on several factors, including the volume of compact licensees that practice within Michigan.

The bill would allow LARA to recover costs related to the investigations and disposition of adverse action cases. LARA has indicated that additional legislation would be required to allow the department to collect fees from compact privilege holders and to sanction compact privilege holders. It is unclear how revenues under the bill would compare to the costs that LARA and the state would incur.

Furthermore, traditional licensure revenues in the state would likely decline, as out-of-state licensees would be able to practice via the compact, instead of securing licensure through the state.

Legislative Analyst: Rick Yuille
Fiscal Analyst: Una Jakupovic

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.