

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

SENATE, No. 523

STATE OF NEW JERSEY

DATED: NOVEMBER 15, 2021

The Assembly Health Committee reports favorably Senate Bill No. 523.

This bill enters New Jersey into the Interstate Medical Licensure Compact (Compact), which is an interstate agreement that provides a streamlined process for physicians who are in good standing in their own states to quickly and easily become licensed in other member states without the need to complete the full standard licensing process in the other state. A license issued under the Compact for a member state constitutes a full and unrestricted license to practice medicine in that member state. The Compact does not change the medical practice laws in any member state, and the requirements to obtain expedited licensure reflect the prevailing standard for physician licensure nationwide. Physicians providing health care services are subject to the medical practice laws of the state in which the patient is located. The Compact will be administered by the “Interstate Medical Licensure Compact Commission” (Interstate Commission), which is comprised of delegates from each member state.

Expedited Licensure

To qualify for licensure in another state through the Compact, a physician will be required to be a graduate of an accredited medical school, have passed the licensing examination within three attempts, have successfully completed graduate medical education, hold a specialty certification, possess a full and unrestricted license to practice medicine in the physician’s principal state of licensure, have no criminal convictions, have never been subject to license-related disciplinary action, have never had a controlled substance license or permit suspended or revoked, and not be under active investigation by a licensing or law enforcement agency. A physician who does not meet the requirements for expedited licensure may still apply for licensure in another state under that state’s standard licensure process.

A physician applying for expedited licensure will be required to designate a state of principal license, which will be the physician’s state of primary residence, the state where at least 25 percent of the physician’s practice of medicine occurs, or the location of the physician’s employer; if no state meets these criteria, the state of principal license will be the state designated as the physician’s state of

residence for federal income tax purposes. Physicians may change their states of principal license, provided the physician's ties to the new state meet the requirements for designation.

An application for expedited licensure is to be filed with the physician's state of principal license. The licensing board in that state will evaluate the physician's eligibility based on a review of the physician's educational background, the results of the physician's licensing examinations, and a criminal history record background check. Once the state of principal license verifies the physician's eligibility, it will submit a letter to the Interstate Commission, and the physician will receive member state licenses in each state requested by the physician for which the physician pays the applicable licensure fee. License and renewal fees are independently established by each member state.

A member state license will be valid for a period consistent with that state's laws, and the physician will be required to comply with all practice laws in the member state. There is no limit to the number of member state licenses a physician may obtain under the Compact; however, after the initial application process, an additional fee applies to subsequent applications for expedited licensure. A member state license will be renewed if the physician continues to meet the eligibility requirements for licensure under the Compact. Physicians are subject to continuing professional education requirements for each state in which the physician maintains a license.

The Interstate Commission will be required to establish a database of all physicians who apply for or who are issued a license under the Compact. The licensing boards in each member state are required to report to the database complaints, public actions, and disciplinary actions taken against a physician listed in the database, and may additionally report non-public complaints, disciplinary actions, and investigations. Information reported to the database is to be kept confidential.

Member boards are authorized to engage in joint investigations of a physician, share investigative and related materials with other member states, and issue subpoenas, which other member states are required to comply with. Member states may investigate alleged violations of the medical practice laws of any other member state. A disciplinary action taken by a member board against a physician constitutes grounds for other member states to institute disciplinary action against the physician.

If a license granted to a physician by the member board in the state of principal license is suspended, revoked, surrendered, or relinquished in lieu of discipline, all licenses issued to the physician by member boards will automatically be placed on the same status. If the member board in the state of principal license subsequently reinstates the physician's license, a license issued to the physician by any other member board will remain encumbered until that respective member board takes action to reinstate the license. If a state other than the state

of principal license takes disciplinary action against a physician, all other member states may use the same grounds to impose the same or a lesser sanction against the physician or take independent action against the physician under that state's own laws. If a physician's license is revoked, surrendered, or relinquished in a member state, all other member state licenses will be suspended for 90 days.

Interstate Medical Licensure Compact Commission

The Interstate Commission will consist of two voting representatives appointed by each member state, called "commissioners." Each commissioner is required to be a member of that state's medical licensure board. The Interstate Commission will meet at least once each calendar year and at other times when called by the chair or upon request of a majority of member states. Meetings are generally open to the public, but closed meetings may be conducted to discuss internal personnel matters, matters involving privileged or confidential information, criminal accusations and formal censures, private personal information, criminal investigations, or civil proceedings. Interstate Commission records will be available to the public for inspection, unless otherwise held confidential. The Compact provides for limited liability and indemnification for the executive director, officers, and employees of the Interstate Commission in connection with their official duties.

The Interstate Commission has the power to promulgate rules, establish bylaws, issue advisory opinions, enforce compliance, initiate litigation, establish and appoint committees, employ an executive director, report to the member states, and take other actions necessary to administer and achieve the purposes of the Compact. The Interstate Commission will establish an executive committee, which will have the power to act on behalf of the Interstate Commission during periods when the Interstate Commission is not in session, including overseeing the administration and enforcement of the Compact. The Interstate Commission will additionally be tasked with resolving disputes among member states upon request.

The Interstate Commission may collect an annual assessment from each member state to cover the cost of the operations and activities of the Interstate Commission and its staff, which is to be sufficient to cover the annual budget approved each year for which revenue is not provided by other sources. The Interstate Commission may not incur obligations until it has secured funds to cover the obligation. The Interstate Commission will be subject to a yearly financial audit, which will be included in its annual report.

Membership in the Compact

States can join the Compact by enacting a statute adopting the Compact language. The Compact took effect upon adoption by seven

states, and, according to the Interstate Medical Licensure Compact website, currently 25 states, the District of Columbia, and Guam have adopted enabling legislation, including Alabama, Arizona, Colorado, Idaho, Illinois, Iowa, Kansas, Maine, Maryland, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, Pennsylvania, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming. States may withdraw from the Compact by repealing the enabling statute, and the Compact will dissolve when the number of member states is reduced to one.

Amendments may be made to the Compact if each member state enacts legislation adopting the amendment.

The provisions of the Compact will not override existing state authority to regulate the practice of medicine; however, the Compact provides that other laws in member states that are in conflict with the Compact are superseded to the extent of the conflict, and all lawful actions of the Interstate Commission are binding on the member states. When the Compact exceeds constitutional limits within a member state, the relevant provision of the Compact is ineffective to the extent of the conflict.

The executive, legislative, and judicial branches of state government in each member state are to enforce the Compact and take all actions necessary and appropriate to effectuate the purposes and intent of the Compact. Courts are to take judicial notice of the Compact in any judicial proceeding that may affect the powers, responsibilities, or actions of the Interstate Commission. The Interstate Commission is entitled to receive service of process and intervene in any such proceeding, and the failure to provide service of process will render a judgment or order void as to the Interstate Commission.

Member states may be found in default of the Compact based on the failure to perform obligations or responsibilities imposed by the Compact. The Interstate Commission is to provide written notice to a defaulting state and the other member states of the nature of the default, the means of curing the default, and any specific action or conditions necessary to cure the default. The Interstate Commission is to additionally provide remedial training and specific technical assistance regarding the default. Failure to cure a default will result in the member state being terminated from the Compact.

As reported by the committee, Senate Bill No. 523 is identical to Assembly Bill No. 1112 which was reported by the committee on this date.