



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: Interstate Med.l Lic. Comp./Intern'l Phys.
Bill Number: Senate Bill 336 (Second Edition)
Sponsor(s): Sen. Benton G. Sawrey, Sen. Amy S. Galey, and Sen. Jim Burgin

SUMMARY TABLE

FISCAL IMPACT OF S.B.336, V.2

	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
State Impact					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
General Fund Impact	-	-	-	-	-
NET STATE IMPACT	-	-	-	-	-

FISCAL IMPACT SUMMARY

Senate Bill 336, Interstate Medical Licensure Compact/Internationally-Trained Physician Employee Licensure, enters North Carolina into the Interstate Medical Licensure Compact (Compact) to provide a voluntary process for physicians to become licensed in multiple states. It also provides a pathway for internationally-trained physicians to be issued a license to practice medicine and surgery in the State if employed at a hospital in a rural county.

The primary fiscal impact of S.B. 336 is on the North Carolina Medical Board (Board). The Board's budget and operations are outside of the State treasury, so the bill will not impact the State budget.

S.B. 336 requires the Board to perform a criminal background check of applicants who select North Carolina as their state of principal license through the Compact. The North Carolina State Bureau of Investigation (SBI) is responsible for conducting fingerprint-based criminal history background checks, but the fiscal impact on SBI as a result of participation in the Compact is unknown.

FISCAL ANALYSIS

S.B. 336 enters North Carolina into the Compact. The Compact's purpose is to provide a streamlined process that allows physicians to become licensed in multiple states for the purposes of telehealth or working across state lines. The Compact is administered by the Interstate Medical



Licensure Compact Commission (Commission). Currently 41 states, the District of Columbia, and the Territory of Guam participate in the Compact.

The bill also outlines requirements for a new special licensure pathway that the Board may issue. This license is for internationally-trained applicants who have been offered full-time employment as physicians at hospitals or medical practices located in rural (a population of fewer than 500 people per square mile) North Carolina counties. The new section specifies educational and competency and standing requirements that applicants must meet. Special licenses would convert to full licenses to practice medicine in the State after four years of active practice in good standing. The bill directs the Board to collect information about applicants to evaluate the special license's implementation and success, with a requirement to report annually to the Joint Legislative Oversight Committee on Health and Human Services. No fee is specified for the new license, but the Board is directed to adopt rules necessary for issuance.

North Carolina Medical Board

The primary impact of the bill would be on the Board, which operates outside of the State treasury, and is funded by the licensing fees paid by applicants. Currently, physicians seeking licensure in North Carolina pay a \$400 application fee to the Board, and a \$250 annual license renewal fee.

Entering the Compact would increase the workload of the Board. Physicians licensed in the State could opt to join the Compact and apply for licensure in other states, claiming North Carolina as their state of principal license. The Board would issue a letter of qualification to applicants that meet the requirements, which applicants would present to other states in order to gain license. The Board cannot estimate how many physicians licensed in North Carolina would elect to participate in the Compact, or how many physicians outside the State would seek North Carolina licensure.

To compensate for the increased workload, the Commission charges a service fee to physicians for participation and remits a portion of that fee to the state of principal license. Physicians pay the initial service fee of \$700 to the Commission, out of which \$300 is remitted to the state of principal license. Subsequent service fees to renew licenses, or to re-disseminate the letter of qualification, are paid to the Commission fully, with no remittance to states.

The \$400 license fee for physicians seeking a North Carolina license through the Compact is fully remitted to the Board by the Commission. The Board cannot determine the number of individuals who will seek North Carolina licensure through the Compact. An increase in applications would correspond to an increase in funds to support the Board's activities, allowing it to scale with the workload.

The Compact gives the Commission power to levy an annual assessment from each member state to cover the cost of operations and activities of the Commission if sufficient revenue is not provided by other sources. The Commission posts its operating budgets back to State Fiscal Year (FY) 2019. These documents indicate that the Commission has not levied or assessed fees to member states during this time. Meeting minutes from May of 2024 indicate that the Commission has taken steps to prevent the need of levying an assessment in the future, including setting aside



funds in a restricted account. The Commission's FY 2024 Annual Report states that it will not levy or assess fees on member states for FY 2025, and notes that it has reserves sufficient to cover 36 months of operating expenses.

There is no fee specified in the bill for internationally-trained physicians seeking the special license, nor can the Board estimate the number of internationally-trained physicians who would seek licensure through this provision, so the impact on the Board cannot be determined.

Criminal Records Checks

In accordance with G.S. 90-11, criminal record checks for people who apply for a license through the Board are provided by the State Bureau of Investigation. The current fee for a combined State and federal criminal record check is \$38 and is paid by the applicant. The bill would extend this requirement to applicants seeking licensure through the Compact, but the impact cannot be determined due to the uncertainty in the number of applicants for licensure through the Compact.

Applicants for special licensure as internationally-trained physicians must submit a background screening from the country in which they are licensed, so there would be no impact on the State Bureau of Investigation.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

NORTH CAROLINA MEDICAL BOARD
INTERSTATE MEDICAL LICENSURE COMPACT RULES
INTERSTATE MEDICAL LICENSURE COMMISSION MEETING MINUTES – MAY 14, 2024
INTERSTATE MEDICAL LICENSURE COMPACT FY 2024 ANNUAL REPORT

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

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