



Understanding the Counseling Compact and Its Broader Implications: Key Considerations for Michigan Counselors

Prepared by
Michigan Mental Health Counselors Association

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Executive Summary

MMHCA surveyed Michigan Counselors and found that of the 290 respondents, **45% said they didn't know enough about the Counseling Compact** to know if Michigan should or shouldn't work to become part of the Compact. This information is guiding our effort to help Michigan Counselors become more informed on this important topic.

The Counseling Compact is an interstate agreement allowing Licensed Professional Counselors (LPCs) to practice across Member States with a "Privilege to Practice" instead of multiple licenses. Limited Licensed Counselors can't participate in the compact. This report begins to explore the Compact's implications for Michigan LPCs, including potential benefits, challenges, and broader industry trends. The report concludes by emphasizing the importance of counselor education, collaboration, and adaptation in this evolving landscape.

The Counseling Compact: An Overview

The Counseling Compact simplifies the process for LPCs to practice across Member States (those states who are members of the Counseling Compact). Key aspects include:

- Eligibility: Requires a valid Home State (state where you live) full license, a master's degree in counseling (60 hours for new graduates), supervised experience, and an FBI background check.
 - On 10/8/24 the Counseling Compact Commission voted to adopt a Rule grandfathering in LPCs who received their degree before the effective date of their Home State becoming a Member State of the Compact as long as they meet certain other requirements of the Compact law.
<https://counselingcompact.gov/wp-content/uploads/2024/10/2024.10.08-Chapter-5-Legacy-Licensing-Rule.pdf>
- Privilege to Practice: Replaces the need for multiple licenses in Member States. An LPC can apply for a “privilege to practice” in states participating in the Compact as long as their Home State is a member of the Compact.
- Centralized Database: Maintained by the Counseling Compact, it tracks licensure and disciplinary information. *The expected date of completion for the database is late 2025. No one can have Privileges to Practice in other states until this database is complete. (The expected completion date of the database has been extended several times - completing it is a big job!)

Benefits of the Compact

- For Counselors: Possible increased mobility and flexibility, ability to serve clients in multiple states (especially via telehealth). Counselors would also be able to practice in person in Member States they have a Privilege to Practice in. Counselors will only be responsible for CEUs required by their Home State.
- For Clients: Potential for greater access to counselors, potential continuity of care when moving between states, expanded availability of providers in underserved areas.

Challenges and Concerns for Michigan LPCs

- Increased Competition:
 - Large nationwide telehealth platforms can leverage the Compact's ease of obtaining privileges to practice, potentially dominating markets.
 - Additional counselors from other Compact States can easily practice within Michigan.
 - Counselors, Social Workers and Psychologists nationwide have noticed a slow down over the last year in the number of referrals they are getting - many believe this is due to the market share that VC backed companies have already taken.
- Pressure on Private Practices: Competition from well-funded (venture capital backed) nationwide companies with immense marketing budgets could make it difficult for smaller practices to attract new clients.
- Commodification of Care: AI and corporate models might risk devaluing personalized counseling.
- Counselors are responsible for knowing and following laws, regulations and scope of practice for the Member State they are practicing in.

- An infraction in one state can mean the loss of all Privilege to Practice in other Member States.

Impacts on Clients

- Potential Drawbacks: Telehealth expansion could weaken connections with local resources
- Large platform dominance might limit affordable in-person options.

For Perspective: Current number of licensed counselors in Michigan

Total Licensed Counselors: 11,786

Total LPCs: 9,323

Total LLCs: 2,463

Out of state residents licensed in MI: 1,227 which is about **10% of MI Counselors**

It is currently possible for Michigan LPCs to get licensed in many other states. Counselors licensed in other states must keep up with CEU requirements of those states as well as follow their laws, regulations and scope of practice.

Large Platforms (BetterHelp, Alma, Headway, Grow, etc.)

- Advantages: Rapid market expansion, cost savings to clients and insurers, potential use of AI for efficiency.
- Concerns: Prioritization of scale and profit over quality mental health care, potential monopolization, marginalization of smaller group practices and sole proprietors, and ultimately a decrease in reimbursement rates from insurers.

Broader Health Industry Trends

- Venture Capital Influence: Powerful companies with profit-driven priorities entering mental health care (behavioral health).
- Vertical Integration: Consolidation of services under large corporations.
- AI in Behavioral Health: Efficiency gains balanced with ethical considerations.

Why This Matters to Counselors

The Compact, while offering opportunities, also creates an environment where large companies can swiftly dominate markets. Private practices will need to adapt and potentially specialize to compete. Understanding these trends is crucial to protecting the profession's integrity and client care quality.

Call to Action for Michigan Counselors

- Educate Yourself: Stay informed about the Counseling Compact and industry trends.
- Collaborate: Join professional organizations to advocate for fair practices. Discuss these issues with colleagues and help inform others.
- Adapt: Explore ways to specialize or differentiate your practice.

MMHCA's Plan

The Michigan Mental Health Counselors Association (MMHCA) is committed to supporting Michigan LPCs through the following actions:

- Providing ongoing information and resources about the Counseling Compact.
- Offering educational opportunities regarding the Compact.
- Attending all Counseling Compact Commissioner meetings.
- Survey Michigan Counselors when needed to understand their needs/thoughts regarding the Counseling Compact.
- Listening to MI Counselors and working together to decide what is best for Counselors in Michigan regarding the Compact.

Conclusion

The Counseling Compact presents a complex landscape with both opportunities and challenges. We encourage Michigan LPCs to stay informed, collaborate with colleagues, and adapt to the changing landscape of behavioral health.

Please take the short survey link [here](#) to help MMHCA work with the most accurate information possible. Thank you!

Additional Resources

- Counseling Compact website: <https://counselingcompact.gov/tool-kit/> to read the Model Compact Legislation
- <https://counselingcompact.gov/compact-commission/governance-documents/> to read about adopted and proposed Rules. Member States agree (via the Model Compact Legislation) to adopt Rules the Counseling Compact Commission votes to adopt.