



Answers to

Michigan Counselors' Questions about the Counseling Compact

Prepared by
Michigan Mental Health Counselors Association
February 10, 2025

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Note: Our goal in this report is to ensure all stakeholders are well-informed as Michigan considers its role in the Counseling Compact. To the best of our knowledge, the information in this report is accurate. However, due to the evolving nature of this issue, some details may change over time.

Introduction to the Counseling Compact Survey Report

On **January 30, 2025**, we distributed both a video and a written report outlining the current status of the Counseling Compact to all Michigan Counselors. Following that, we invited all licensed professional counselors (LPCs) in Michigan to submit their questions and feedback. We extend our sincere appreciation to all those who took the time to thoughtfully complete the survey. Your input has provided valuable insight into the perspectives and concerns of LPCs across Michigan.

This report presents an analysis of the feedback gathered **regarding the potential adoption of the Counseling Compact**. Respondents asked questions, provided their level of support or concern, and rated the value of informational resources from our previous report.

This report begins by addressing the **143 questions** submitted by respondents, which reflect both enthusiasm and uncertainty about the Compact's implications. The following section categorizes, summarizes, and answers these questions. We hope to provide clarity on topics such as licensure portability, private practice considerations, financial and legal impacts, and implementation timelines with the most accurate information available at this time. *Some questions cannot yet be answered yet because, according to the **Counseling Compact Commission**, the Compact will not take effect in any state until **late 2025 at the earliest** and there are details of the Compact that are yet to be decided.*

After addressing LPCs' questions, this report will then summarize the arguments **for and against** the Counseling Compact voiced by the respondents to the survey.

LPCs' Questions

1. Participating States & Compact Details

First, the **Counseling Compact is NOT operational yet**. At this time, the earliest estimated date it will be available is late 2025. Even if a state has enacted/adopted the Compact Model Legislation, it is NOT available to Counselors for providing services in any Compact states yet.

"What other states are already in the compact?" That number is changing as states enter the compact, currently there are 38 states. A link to the Compact site showing a map of participating states is provided [here](#).

"Where can we find legislative rules for each participating state?" Our understanding is material like laws and legislative rules for each state will not be compiled or maintained by the Compact. The Compact Commission has talked about compiling a list of links to each state, but it will be incumbent upon each LPC to know and adhere to Member States' laws, regulations and scope of practice - and know if those change. There are also 17 states (found [here](#)) that will require a jurisprudence examination. People seeking a Privilege to Practice in those states must also pass each state's jurisprudence exam before a Privilege to Practice will be granted. A jurisprudence examination is based on the laws and regulations of that particular state and may be an additional cost.

2. Status of the Compact in Michigan

"Why hasn't Michigan passed the compact yet?" "What stage is Michigan at in adopting the compact?" "What is the likelihood that Michigan will approve the compact?" "When will Michigan vote on this?" Adopting the Counseling Compact requires the Model Compact **Legislation to pass through both houses of the state legislature and be signed by the Governor**—a process that is neither quick nor easy. Legislative approval depends on sponsorship by lawmakers and significant lobbying efforts.

Historically, the **Governor has not been particularly supportive of interstate compacts**. For example, the **initial attempt to pass the PsyPact was vetoed**. However, each compact is unique, and future decisions will depend on legislative priorities and advocacy efforts.

MMHCA's Board has not taken a position **for or against** the Counseling Compact. Our focus is on understanding what Michigan Counselors want and what best serves our **profession**.

Additionally, there is a **Social Work Compact** currently in development, though it's not as far along in development as the Counseling Compact.

The **PsyPact** is frequently mentioned in compact discussions, but it differs in scope and function. PsyPact allows for only two specific options:

1. **Telehealth Services** – The psychologist **must be physically located in their home state** while providing telehealth to clients in other participating states.
2. **Temporary In-Person Practice** – Psychologists can offer in-person therapy in a non-home state for up to only 30 days per calendar year per PsyPact non-home state without obtaining full licensure there.

The Counseling Compact could require as much effort and advocacy as passing the Counselor Licensure law required in 2019.

"What is the timeframe for Michigan joining once the database is complete?" As mentioned above no work has been done yet to gain approval of the Compact in Michigan. That's why we've reached out to you. If it is going to be passed it is going to take a great deal of work on the part of many people. We are going to need the support of LPCs from around the state to move forward in that direction if that's what Michigan Counselors choose.

3. Licensing, Fees, and Application Process

Each LPC must have one "home state" where they are licensed and reside, and that state must be a member of the Compact ("Member State"). You abide by the laws of your home state to maintain your **license** (CEUs.) If your Home State is a member of the Compact you can then apply to other Compact Member States for a **Privilege to Practice** in each state you would like to practice. You pay a fee for the Privilege to Practice for each state you apply to, and renew that Privilege to Practice after however many years that state issues the Privilege for (should be the same number of years a person holding a license in that state has before needing to renew their license). You are not "licensed" in that state, but you have the Privilege to Practice in that state. Fees will be determined by each state and mostly have not been published yet.

"What is the proposed fee for licensed professionals to join the compact?" Those fees are not yet published by most of the Member States. Each individual will pay a fee to the Counseling Compact and a fee to each state they want the Privilege to Practice in. Each state fee will renew on the same schedule as that state's license renewal.

"Will there be hidden costs associated with applying for compact privileges?" The Compact will add on a "service" fee of \$30 for each state you apply to for the Privilege to Practice. We don't know what each state will charge for the Privilege to Practice - those amounts have not been published yet by most states.

"What happens if a counselor loses their compact license in one state—does that affect their ability to practice in Michigan?" As we understand it, if there is a sanction against your license in either your Home State or a Member State where you have a Privilege to Practice, it must be reported to the Compact and yes, your ability to practice in ALL Member States can or will be revoked.

"How quickly can Michigan counselors get approved to practice in other states?" No one can be approved until the Compact goes into effect. The estimated earliest date for Member States who have already enacted/adopted the Compact Model Legislation is late 2025. Michigan would have to pass the Compact Model Legislation to become part of the Compact as described in number 2 above.

"Would I need to take additional exams (e.g., NCMHCE) to practice in other states?" You need to have your full license in a Home State that is part of the Compact. You do not need to fulfill any additional requirements to gain the Privilege to Practice, except in Member States that require the passing of their jurisprudence exam as well. But, while practicing in any Member State where you have received the Privilege to Practice you must follow all of that state's rules, regulations and scope of practice. You are not required to fulfill the CEUs of Member States where you have a Privilege to Practice; you're only required to fulfill the CEU requirements of your Home State where you reside and are licensed.

4. Insurance & Liability Concerns

"Will liability insurance cover out-of-state clients?" "Will I need separate malpractice insurance for each state?" It is unknown at this time what type of liability insurance you will be able to obtain. Since many liability insurance companies already insure people in many states, it would seem this should not be an issue. Since the Compact is not functional yet, there is no way to know for sure.

"How are insurance companies reimbursing out-of-state providers?" This is also unknown since health insurance companies function within state laws to a large extent and the Compact is not in effect yet. Some insurance companies already don't allow for providers **licensed** in the state where they live, to be reimbursed for seeing a client via telehealth in another state - even though the provider is licensed in the other state where the client is. There is no way to know what impact, positive or negative, there will be on reimbursement rates at this time.

5. Impact on Michigan & the Economy

"How will this affect Michigan's already saturated field of therapists?" There is no way to know at this point. Currently approximately 10% of Michigan LPCs already reside outside of Michigan. How many therapists will want to practice in Michigan will most likely depend on many factors including Michigan reimbursement rates, the size of the state population and other factors. In theory, counselors will be able to gain the privilege to practice in other states, but they must also pay for that privilege at a rate that is not yet known. For comparison, we have tried to research the impact of the Psy Pact on psychologists in Michigan, but have not found any concrete data. **Certainly if Michigan was in the Compact, Counselors from any other Member States would easily be able to receive the Privilege to Practice in Michigan. Large venture capital backed companies will also easily be able to gain Privileges to Practice for Counselors working with them.** This will be true across all Compact Member States.

"Do we know how this will impact Michigan's economy?" There is no way to know at this point. There is concern many Counselors will seek the Privilege to Practice in Michigan which could increase competition significantly for Michigan Counselors.

"Will this create competition that reduces rates for Michigan therapists?" There is no way to know at this point, but it seems like a possibility.

6. Concerns About Legislative & Ethical Risks

"Will joining the compact put Michigan's LPC legislative protections at risk?" "Are we opening the door for psychologists to try to limit our scope again?" There is no way to know the answer to those questions at this point without researching it further within LARA and other administrative bodies within the state. That could be the case, but it is a legal/legislative question that will have to be studied with the help of our lobbyist.

"What are the risks of lowering standards with different state licensing rules?" We would not legally be lowering our standards because people from other Compact Member States are not **licensed** here, they simply have a Privilege to Practice here. One could think of it like a drivers license. Drivers from other states can legally drive in Michigan, but must follow our driving laws. A Privilege to Practice is similar in theory. Some states could have lower standards than Michigan, but then some may also have higher standards. The Compact Law states that if there are any conflicts between a state's licensure law and the Compact Law, the Compact Law will supersede/override the Member State's Law (except if it is a state constitutional issue.)

7. Concerns About Private Practice & Large Companies

"How will the compact affect private practices in Michigan?" "Will this lead to large VC (venture capital) groups taking over smaller private practices?" "How will Michigan therapists compete with BetterHelp and similar platforms?" "What safeguards exist against monopolization of mental health services?" These are all good questions to ask, but it is too soon to know the impact the Compact will have. The Compact does allow people to get a Privilege to Practice in other states which could be a very positive thing for individual counselors. At the same time, it also allows large platforms to more easily expand. How that will turn out in the long run, we don't know. It is certainly possible if not likely venture capital backed companies could lead to significant numbers of Counselors gaining the Privilege to Practice in Michigan. The Compact will also allow any Counselor from a Member State to easily gain the Privilege to Practice in Michigan. We may be able to get some "clues" about this by looking at monopolization in medicine which in some specialties has all but eliminated private practices. But whether that will directly translate to counseling is unclear. We are unaware of any protections that exist currently against the monopolization of mental health services. This is something MMHCA is interested in exploring.

Arguments For and Against the Counseling Compact

We also asked LPCs to "Please share any argument for or against the compact you think is important for Michigan counselors to consider." Below is a summary of comments we received from LPCs.

LPC Arguments in Favor of the Compact

Licensure Mobility & Professional Growth

- "The compact would make it easier for counselors to work across state lines."
- "This would allow greater opportunities for professional growth and expansion of my practice."

- "Easier reciprocity for licensure is a great benefit."

Improved Access to Mental Health Care

- "It could allow more clients access to care, especially in rural areas."
- "We need more therapists available across state lines to address the mental health crisis."
- "Telehealth has expanded, and this would allow us to better serve clients in need."
- "This could help clients moving between states continue therapy without interruption."

Economic & Business Benefits

- "The compact would allow me to expand my business and help more clients."
- "This makes financial sense—counselors should not have to pay excessive fees to practice in other states."
- "It would increase job opportunities for Michigan counselors."

Legislative & Professional Benefits

- "Joining the compact keeps Michigan in line with national trends in mental health care."
- "Standardized licensure requirements across states would be a good thing."
- "It would help elevate the professional standing of counselors nationwide."

Arguments Against or Concerns About the Compact

Threats to Private Practice & Market Competition

- "Could this lead to a flood of out-of-state therapists taking Michigan jobs?"
- "What prevents large telehealth corporations from monopolizing the field?"
- "Would this drive down wages and reimbursement rates for Michigan counselors?"
- "How does this impact independent private practice counselors?"

Licensing & Bureaucratic Issues

- "Will there be hidden costs associated with applying for compact privileges?"
- "Are there significant differences in state laws that could create issues?"

Insurance & Liability Concerns

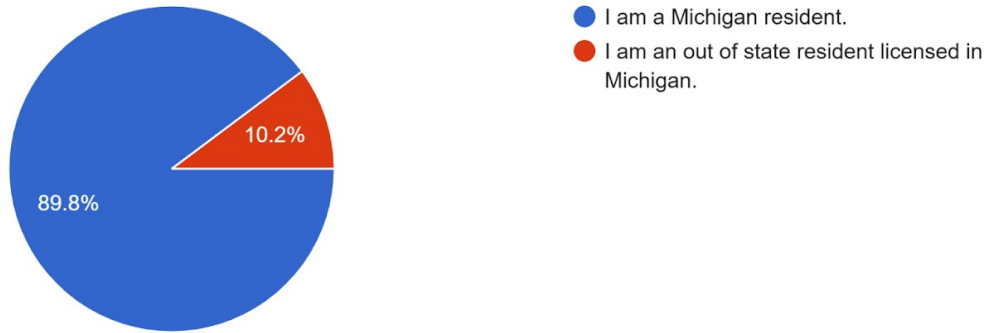
- "Will malpractice insurance cover out-of-state clients?"
- "Will insurance reimbursement rates change if more counselors practice across state lines?"
- "Could this create confusion for clients about what state laws apply to their therapy?"

Legislative & Ethical Risks

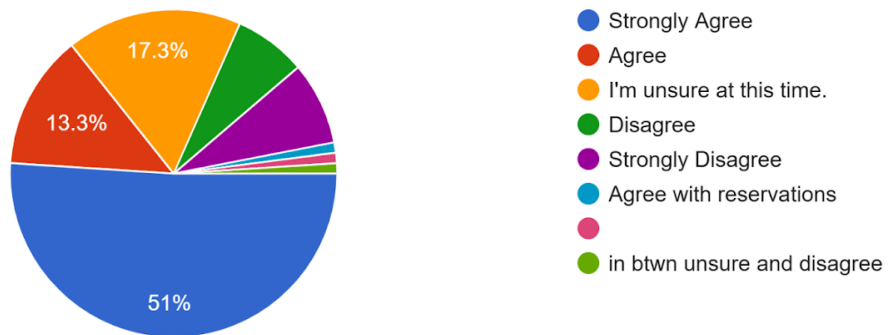
- "Does this open the door to unwanted legislative changes affecting LPCs in Michigan?"
- "Are there risks that psychologists or other professions could try to limit our scope again?"
- "Will different state licensing rules weaken Michigan's current standards?"

Survey Demographic Information -

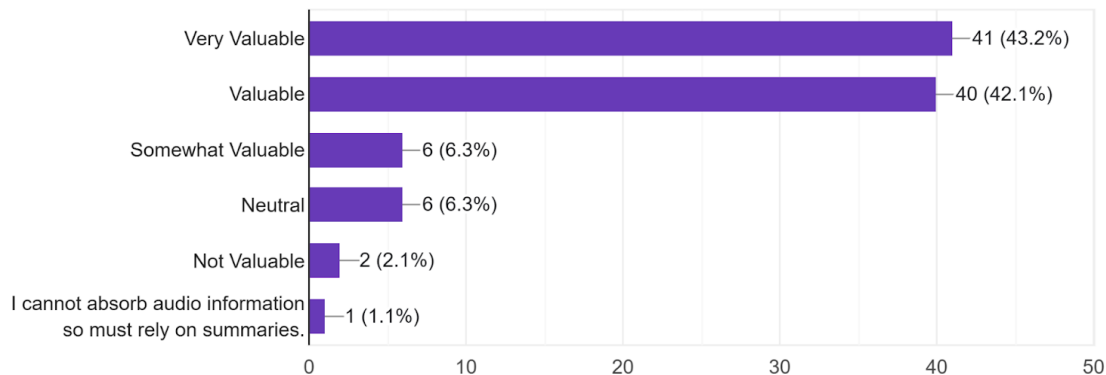
Please note if you are a Michigan resident or out of state resident.



How would you rate the following statement: I am in favor of adopting the Counseling Compact in Michigan



How valuable did you find the resources about the Counseling Compact (video and/or written report)?



Thank you to all counselors who responded to the survey. If you have additional questions please contact us at MMHCABOARD@mmhcanow.org.

If you are interested in becoming a member of MMHCA and advocating for LPCs in Michigan please go to this [link](#) to join. Your membership is welcome and valued.

MMHCA's aim is to continue this conversation and provide Michigan Counselors with the information needed to make the best decision for Michigan. Interestingly **8,045** of the 11,312 licensed Counselors in Michigan **opened the January 30, 2025 email we sent** about the Compact. Thank you for your time and interest.

This is an important decision and we believe the more of us there are involved in the conversation, the better the decision will be.