

## Arizona leads the way in licensing reform

Jeffrey A. Singer and Michael D. Tanner

October 29, 2020

Arizona is the tip of the spear in occupational licensing reform. When Gov. Doug Ducey signed HB2569 into law in the spring of 2019, Arizona became the first state to recognize all out-of-state occupational and professional licenses. This made it easier for people from other states wishing to relocate or branch out into Arizona to be able to make an honest living. Pennsylvania, Missouri, Montana, and Utah have since enacted similar reforms, following Arizona's example. In addition, Arizona has waived licensing fees for low income individuals and made it so ex-convicts can obtain licenses.

While these reforms are a giant step in the right direction, requiring licensed workers and professionals to establish physical locations within the states limit their effectiveness. The COVID-19 pandemic made this especially obvious with respect to licensed health care professionals.

That's why several governors in the states hit hardest by the pandemic suspended such requirements during the public health emergency. Arizona should take reform a step further and recognize licensed occupations and professions who want to serve the state's residents, yet reside in other states. This additional reform would remove obstacles to "telehealth," a technology that has been of great value during the pandemic.

Patients can travel to another state to receive medical treatment and even surgery from a doctor licensed in that state, but those doctors cannot travel to the patients' states to provide the same services unless they are licensed in those states. Removing the in-state location requirement will give Arizonans access to care from the best health care practitioners in the country.

It would also let Arizonans get care from "*locum tenens*" providers who work through agencies to provide care during short stints in medically underserved areas, those located very close to the border of a neighboring state, and out-of-state experts in rare and specialized medical conditions brought in to consult and help manage a fragile patient unstable for transfer. An out-of-state license does not automatically enable providers to practice at health care facilities within the state. Facilities perform their own due diligence in vetting and credentialing applicants before admitting them to their staff.

Arizona's licensing reciprocity reform only allows people moving from other states to receive a license in-state if they already hold a license. However, not all occupations are licensed in every state. For example, opticians are licensed in Arizona but not in the neighboring states of New Mexico or Utah. This means an optician moving from Utah could not practice in Arizona regardless of how much experience he/she has. To counteract this, Arizona should create a mechanism to allow people who relocate to Arizona from states that do not require a license for a profession to obtain an Arizona license if they have a certain amount of experience.

State licensing boards make international medical graduates repeat their entire post-graduate training in an accredited U.S. institution before receiving a state medical license. Many experienced foreign-trained doctors take ancillary medical field positions, such as nurse, lab technician, and radiology technician, instead of starting over. Some even work as waiters or taxi drivers — a shameful waste of talent and skill.

In Canada, several provinces grant licenses to experienced immigrant physicians who have completed postgraduate training in any of 29 approved foreign jurisdictions if they pass the Canadian licensing exam. Some grant “provisional licenses” to general medical practitioners from unapproved foreign jurisdictions. They must first practice under the supervision of a licensed physician and, after a designated period, may then independently practice in underserved areas. Arizona’s medical licensing board should create a provisional license program so health care practitioners licensed in other countries can be added to Arizona’s pool of health care providers.

Aside from medical licensing, there is more Arizona can do to alleviate the burden occupational licensing puts on individuals. For example, Arizona still has some of the strictest licensing requirements, far exceeding those of other states in some cases. Arizona should bring licensing requirements in line with less strict national average requirements.

Lastly, when licensing boards are ruled by majority practitioners, those practitioners can set requirements high in order to bar competition. This means they can charge higher prices for their services. To its credit, Arizona recently acted to prevent this by requiring that a majority of licensing board members be of the lay public, rather than members of the profession being licensed.

Arizona ignited a national bipartisan movement to reform occupational licensing laws. It can continue to lead with these additional steps.

*Jeffrey A. Singer practices general surgery in Phoenix and is a senior fellow at the Cato Institute. Michael D. Tanner is a senior fellow at the Cato Institute and author of “The Inclusive Economy.”*