



Texas Public Policy Foundation
**LEGISLATOR'S GUIDE
TO THE ISSUES
2021-2022**

Healthcare Professional License Reciprocity

The Issue

Many Texas residents have difficulty getting healthcare—medical, dental, mental, and behavioral—when they need it. There is a shortage of medical professionals, both an insufficient number of medical professionals as well as maldistribution. In Texas, 213 counties are designated as having a shortage of primary care medical professionals, 210 have a shortage of mental health professionals, and 83 have a shortage of dental professionals. In the long run, a shortage of professionals can lead to worse health outcomes for Texans who have difficulty seeing a healthcare provider.

One way for Texas to begin to address the shortage of healthcare professionals in the state is by making it easier and quicker for healthcare professionals licensed in another state to become licensed in the state of Texas. If the burden to become a licensed professional in the state is reduced, more people will be able to treat patients rather than waiting for a government agency to approve a license.

Texas regulates a wide variety of occupations, from interior decorators to cosmetologists to doctors. Its licensing laws are ranked 21st most burdensome by the Institute for Justice. In its 2020 Healthcare Openness and Access Project, the Mercatus Center ranks states by how onerous a state's licensure laws are for individuals looking to practice. Texas ranked in the bottom decile nationally for its healthcare regulations. All states bordering Texas (New Mexico, Oklahoma, Arkansas, and Louisiana) have higher rankings because it is easier to become a healthcare professional in those states.

In 2019, the Texas Legislature passed, and Governor Abbott signed, a bill making it easier and less costly for military spouses with certain out-of-state licenses to become licensed more quickly in the state of Texas. The legislation included many professions in addition to healthcare professionals. The bill simply requires that, instead of applying for a license from a state agency, the military spouse notify the appropriate state agency of an intent to practice in the state. The state agency then verifies with the appropriate jurisdiction the individual is licensed in, sends a confirmation to the individual, and then the individual is free to begin working in the state. This legislation is a step in the right direction to lower barriers to entry for workers and increasing the labor supply in the state.

Also in 2019, Arizona became the first state to recognize most licenses from other states without requiring other states to reciprocate. Arizona did for all new residents what Texas did for new military spouses—expediting the process and making it easier for new residents in the state to jump back in the labor market quickly after moving to the state.

Texas should follow Arizona's example and make it easier for healthcare professionals with out-of-state licenses to become

licensed in the state. Texas took a good first step in 2019 by making this a reality for military spouses, and lawmakers in the state should take the next step by extending these benefits to anyone who wants to move to the state of Texas.

The Facts

- In 2020, Texas ranks 46th in regulations on healthcare professionals, according to a Mercatus Center study.
- More than 200 counties in Texas are designated as having a shortage of primary care medical professionals or mental health professionals.
- In 2019, Texas passed SB 1200, making it easier for military spouses to become licensed in the state if they had an out-of-state license and were in good standing.

Recommendations

- Extend the language of SB 1200 to all new residents of Texas, not only military spouses, to allow more people to become licensed more quickly in the state.
- Decrease the time required to become licensed in the state to allow healthcare professionals to quickly begin working in the state and to help address the shortage of healthcare professionals.

Resources

[*Licenses to Work: A National Study of Burdens From Occupational Licensing*](#) by Dick M. Carpenter II, Lisa Knepper, Kyle Sweetland, and Jennifer McDonald, Institute for Justice (2017).

[“Arizona Becomes First State to Recognize Others’ Occupational Licenses Without Requiring Reciprocity”](#) by Bonner R. Cohen, Heartland Institute (August 5, 2019).

[“New Texas Law Benefits Military Spouses, Local Workforces”](#) by John Ingle, Air Education and Training Command (September 11, 2019).

[Healthcare Openness and Access Project 2020](#) by Jared Rhoads, Darcy N. Bryan, and Robert Graboyes, Mercatus Center (March 24, 2020).

[SB 1200](#). 86th Texas Legislature. Regular (2019).

[“Out-of-State Occupational Licenses of Military Spouses,”](#) Texas Department of Health and Human Services (Accessed July 15, 2020).

[“Health Professional Shortage Areas,”](#) Texas Department of Health and Human Services (Accessed July 15, 2020).