



Interstate Compact vs. Universal License Recognition Law

As states and professions work toward greater professional licensure portability to keep up with an increasingly mobile world, two key policy tools are at their disposal. This fact sheet explains these two methods and how they can work together to facilitate interstate practice.

Interstate Compact: Borderless Practice in all Member States

The Occupational Therapy (OT) Licensure Compact is an example of an **occupational licensure interstate compact** – a binding agreement among states to recognize occupational/professional licenses issued by any state that has enacted the agreement. The engine of a licensure compact is an interstate licensure data system that allows eligible practitioners who meet certain uniform requirements to obtain a “privilege to practice” in another member state in minutes, with no need to submit materials such as test scores or transcripts, except for a jurisprudence exam if required by the new state. The data system also ensures that member states receive prompt notice of any disciplinary actions taken by other member state licensing boards.

Under the OT Compact, occupational therapists (OTs) and occupational therapy assistants (OTAs) licensed and residing in a member state will be able to practice full-time in other member states both in person and via telehealth. Continuing education is required for the home state license only.

Universal License Recognition Law: Reducing Barriers to Entry Only

Universal license recognition (ULR) laws, also known as “universal reciprocity”, “universal licensure by endorsement” or simply “universal licensure,” establish a state’s unilateral intent to recognize *all* valid occupational/professional licenses from *all* states. These laws commonly apply to all professions regulated by a state, are generally implemented by state licensure boards and agencies and may still require submission of documents and a waiting period for review.

ULR laws are sound public policy, but they do not allow practitioners based within the enacting state to practice in *other* states, and they do not allow for near-instant verification of licensure eligibility through an interstate data system.

Can these policies coexist?

Absolutely! There are several reasons for states to pursue both licensure compacts and ULR laws.

- A compact is most effective when enacted by all (or nearly all) states. Until that point, ULR laws reduce barriers for practitioners from nonmember states.
- Not everyone is eligible for a compact. Individuals who do not qualify for a compact at their current practice level, or perhaps due to criminal history, still may be able to obtain a license by endorsement in another state through ULR.
- ULR laws provide some relief from interstate licensure burdens for professions without interstate compacts.
- As long as a state’s ULR law is written such that it does not confer eligibility for an interstate compact, there is no conflict between these two policy tools.