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I appreciate the opportunity to comment on the regulation of professionals licensed by the Board of Medicine in Pennsylvania. I am an associate professor of economics and director of the Knee Regulatory Research Center at West Virginia University. I am also a senior research fellow with the Archbridge Institute. This comment is not submitted on behalf of any party or interest group.

Two years have passed since I made my previous comments. A lot has changed in the landscape of universal recognition reforms. Today, the majority of states have passed and implemented universal recognition. In the significant lag between passing the law and implementing rules, PA is no longer a regional or national leader on this issue.

I would first refer interested readers to a research brief authored by my colleagues Kihwan Bae and Darwyn Deyo.¹ As shown in the report, as of early September 2024, 26 states have passed some version of a universal recognition reform. Only 9 states (including Pennsylvania) include a "substantially similar" provision. Ohio, a bordering state, trusts the licensing authorities of other states. So does nearby Virginia and Vermont in the northeast. In total, 17 other states have now passed a reform that goes further in eliminating the friction that licensed professionals face when they move from state to state.

As I noted in my previous comments, a temporary work authorization for workers that lack "substantially similar" education and training is helpful, but workers from other states may be dissuaded from moving to PA if they are permitted to work temporarily, but then quickly recognize that they will have to satisfy additional licensing requirements to be permitted to work in the future.

Second, enough time has passed now that my colleagues and I at the Knee Center have been able to estimate the effects of universal recognition. In a research paper published last year, Kihwan Bae and I estimate the effects of universal recognition.² We find that states experience a one-percentage point increase in employment ratio after the reform. This increase occurs from increased labor force participation and reductions in unemployment. We further find evidence of increased in-migration (more than 48%) after passage of the reform.

Most pertinent for Pennsylvania, the effects we estimate are larger for states that do not require new licensees to meet an arbitrary "substantially similar" requirement.

In summary, the new rules associated with 63-3111 are a minor improvement. A lot has changed in the regulatory landscape since the passage of this law almost 5 years ago. Pennsylvania runs the risk of falling far behind other states and finding itself at a competitive disadvantage if there is not further consideration given to the inclusion of the "substantially similar" language.

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1: <https://csorwvu.com/policy-brief-survey-of-universal-licensing-reforms-in-the-united-states-2024/>

2: https://researchrepository.wvu.edu/cgi/viewcontent.cgi?params=/context/econ_working-papers/article/1067/&path_info=BaeandTimmons2023ULR.pdf

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