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## BILL ANALYSIS



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Senate Bill 413 (Substitute S-1 as reported)  
Sponsor: Senator Paul Wojno  
Committee: Health Policy

Date Completed: 9-26-25

**RATIONALE**

Michigan law requires a limited license psychologist to practice under the supervision of a psychologist with a doctoral degree; however, testimony before the Senate Committee on Health Policy indicates that many insurance companies only reimburse mental health professionals who operate independently. This conflict between Michigan's supervision requirement and insurance reimbursement practices prevents limited license psychologists from being employed at many institutions because insurance companies will not reimburse an employer for a limited licensee's work. Some people believe this supervision is unnecessary because similar positions that require a master's degree, such as social workers and counselors, operate independently and are reimbursed by insurance companies. Removing the supervision requirement would allow approximately 4,000 limited license psychologists in Michigan to work independently and expand residents' access to mental health care.

**CONTENT**

**The bill would amend Part 182 (Psychology) of the Public Health Code to modify the licensure requirements of a limited license psychologist, which is generally a psychologist with a master's degree instead of a doctoral degree. The bill would increase, from one year to two years and at least 4,000 hours, the amount of postgraduate experience in a supervised setting required to be granted a limited license. The bill also would allow an individual who was granted a limited license to practice psychology without supervision. Finally, the bill would modify the composition of the Michigan Board of Psychology (Board) and allow a temporary license holder to reapply for licensure if the holder failed to renew the temporary license.**

**Requirements for Limited License Psychologists**

Under the Code, the Board must grant a limited license to engage in the practice of psychology to an individual who has a master's degree in psychology from a regionally-accredited college, university, or institution approved by the Board if the individual has education, training, and experience appropriate to the practice of psychology as established by the Board.

Except for duties performed as an employee of a governmental entity or of a nonprofit organization serving benevolent and charitable purposes, the Board must place two limitations on a limited license: 1) required supervision by a fully-licensed psychologist and 2) a prohibition on advertising or other representation to the public that lead the public to believe the individual who has been assigned the limited license is engaging in the practice of psychology. A limited license is renewable under Part 161 (General Provisions). An individual who is applying for a limited license must have one year of supervised postgraduate experience in an organized health care setting or other arrangement as established by the Board. The postgraduate experience must be supervised by a fully-licensed psychologist, or if a fully-licensed psychologist is not available, by a psychologist who has at least a master's

degree in psychology and at least three years of experience in the practice of psychology or by any other individual approved by the Board.

The bill specifies that the provisions above would not limit the ability to grant a limited license under Section 16182.<sup>1</sup> Additionally, beginning 12 months after the bill's effective date, the provisions above would no longer apply.

Instead, under the bill, the Board would have to grant a limited license to engage in the practice of psychology to an individual who had been granted a master's degree in psychology from a regionally-accredited college, university, or institution approved by the Board if the individual had education, training, and experience appropriate to the practice of psychology as established by the Board.

An individual who was applying for a limited license who was granted a master's degree in psychology before August 31, 2027, would have to have two years and at least 3,000 hours of supervised postgraduate experience. An individual who was granted a master's degree on or after August 31, 2027, would have to have two years and at least 4,000 hours of supervised postgraduate experience. An individual in the process of obtaining postgraduate experience under the Code's current requirements on or before 12 months after the bill's effective date would continue under the existing requirements of one year of supervised postgraduate experience. The postgraduate experience would have to be completed in an organized healthcare setting or other arrangement as established by the Board and would have to be supervised by a fully-licensed psychologist or, if a fully-licensed psychologist were not available, by a psychologist who had at least a master's degree in psychology and at least three years of experience in the practice of psychology, or by any other individual approved by the Board.

An individual who was granted a limited license could engage in the practice of psychology without supervision and would have to perform an act, task, or function within the practice of psychology for which the individual was qualified by education, training, or experience. An individual who held a limited license could not perform, offer to perform, or represent that the individual was qualified to perform any of the acts, tasks, or functions within the scope of practice of psychology that the individual was not qualified by education, training, or experience to perform, or that the individual was otherwise prohibited by law from performing. An individual who held a limited license under existing law on the bill's effective date would be considered to hold a limited license under the bill and would not be subject to the limitations on the license as described in existing law.

The bill specifies that the provisions above would not limit the ability to grant a limited license under Section 16182. The Department, in consultation with the Board, would have to promulgate rules to implement the bill's provisions.

#### Temporary Licenses for Students

Individuals enrolled in doctoral degree programs and who are in the process of obtaining postgraduate experience as described in Requirements for Limited License Psychologists must be granted two-year temporary licenses. An individual enrolled in a doctoral degree program may have the individual's temporary license renewed up to three times. An individual in the process of obtaining postgraduate experience may have the individual's temporary license

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<sup>1</sup> Section 16182 gives broad authority to the Board to grant a limited license if the Board determines that a limited license is necessary for public health-related reasons. Additionally, the Board can assign limited licenses to postgraduate students and nonclinical and clinical academic candidates.

renewed only once. The bill would increase this figure from one possible renewal to two possible renewals.

Additionally, under the bill, an individual whose temporary license under the above provisions had lapsed for failure to renew the temporary license could apply for relicensure in accordance with Section 16201.<sup>2</sup> An individual who was relicensed could renew the temporary license described above for any 24-month term remaining before the temporary license lapsed.

### Changes to Michigan Board of Psychology

The Board regulates the licensure of mental health professionals in Michigan. The Governor appoints the members of the Board for four-year terms. Currently, the Board consists of nine voting members comprised of the following:

- Five psychologists, at least one of whom must hold a limited license.
- Four public members.

Beginning on the bill's effective date, the Governor would have to replace the first public member whose term expired with a fully licensed psychologist. Additionally, the Governor would have to appoint two additional limited license psychologists to the Board. As such, the Board would consist of 11 voting members comprised of the following:

- Eight psychologists, three of whom held a limited license and five of whom held a full license.
- Three public members.

MCL 333.18221 et al.

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Opposing Argument**

Without the current supervision requirement under Michigan law, the only statutory distinction between master's-level psychologists and doctoral-level psychologists would erode. Removing this distinction could harm the public because people may not understand that master's-level psychologists are not trained to provide them with certain psychological services. According to testimony submitted to the Senate Committee on Health Policy, in other states like Ohio and Kentucky, master's-level mental health practitioners are referred to as psychological associates or psychological assistants, distinguishing between the mid-level provider of psychology (a master's-level psychologist) and the highest provider of psychology (a doctoral-level psychologist).

Additionally, removing any statutory distinction between these psychologists would harm doctoral-level psychologists. By increasing the number of independently-practicing psychologists, the bill would decrease salaries, reimbursement rates, and job opportunities for doctoral-level psychologists. According to testimony, doctoral-level psychologists are already the lowest-paid doctoral-level healthcare providers in the United States. To protect the public from confusion and to protect doctoral-level psychologists, the current supervision requirement should remain.

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<sup>2</sup> Under Section 16201, if a license is not renewed within 60 days of the expiration date, it is considered null and void. An individual may be relicensed within three years after the expiration date, payment of the application processing, renewal, and late renewal fees, and fulfillment of any appropriate continued competency or continuing education requirements.

**Response:** Granting limited license psychologists the ability to practice would not damage doctoral-level psychologists. Demand for mental health professionals in Michigan is high, and there is enough work for everyone to work independently. The bill would help increase access to mental health services in Michigan without diminishing job opportunities for doctoral-level psychologists.

Legislative Analyst: Alex Krabill

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Nathan Leaman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.