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Understanding State Authorization

A Focus on Clinical Rotations

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Association of
American Medical Colleges

AAMC State Authorization Guidance



State Authorization and Medical Education

States may require out-of-state institutions to register and meet certain requirements to operate higher education programs within a given state – a process known as “state authorization.” Depending on the State, this regulation can be triggered by a physical presence within the state, online courses, recruitment/advertising, and clinical rotations, among other activities.

The recent growth in online courses and programs has spawned increased state and federal oversight. In 2010, the Department of Education proposed to directly tie an institution’s eligibility for federal student aid to state authorization compliance. A 2011 lawsuit successfully challenged the proposed regulation on procedural grounds. However, the controversy has drawn attention to this issue and elevated the importance of compliance with state laws (a condition for access to federal student aid that existed prior to the Department of Education’s vacated rule).

Every state has different rules and regulations about when authorization is required. According to a [survey](#) by the State Higher Education Executive Officers Association (SHEEO), clinical rotations in the third and fourth year of medical school could trigger the need for authorization in approximately half of all states (see attached table). It is our understanding that while there is no risk to students who perform clinical rotations in another State, institutions are appropriately evaluating their current out-of-State activities.

Several states have joined the State Authorization Reciprocity Agreement (SARA), and will recognize the authorization of other SARA states. A list of current and expected [SARA member states](#) is maintained by the National Council for State Authorization Reciprocity Agreements (NC-SARA). The institution sponsoring the away rotation must also apply to participate in SARA for reciprocity. NC-SARA hosts an interactive map of approved [SARA institutions](#).

Under SARA, “A contract for supervised field experiences . . . Cannot provide for the placement of more than ten students from an individual academic program placed simultaneously at one clinical or practicum site, unless approval for a larger number is provided by the host state SARA portal agency.”

In addition to examining when clinical rotations trigger state authorization, medical schools should explore online programs — e.g., continuing medical education (CME) — and recruitment/advertising activities. SHEEO maintains a list of [state authorization agencies](#) with contact information.

In response to a request from House Education and Workforce Chair John Kline (R-MN), several health professions education associations including AAMC sent an April 2015 [letter to Congress](#) recommending a nationwide exemption for clinical rotations from future Department of Education federal regulation pertaining to state authorization.

Additional resources are available from [SHEEO](#); [NC-SARA](#); [WICHE Cooperative for Educational Technologies \(WCET\)](#) and its [State Authorization Network \(SAN\)](#); the [Department of Education](#); and “[10 Steps You Can Take to Begin the State Authorization Process](#).” Professional consultants are available to help navigate your institution through state authorization.

In the meantime, please consult with your institution’s legal counsel regarding state authorization compliance.

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For U.S. medical schools sending their students to other states for clinical rotations, the medical school must review state authorization compliance in every state that your medical students will attend a clerkship.

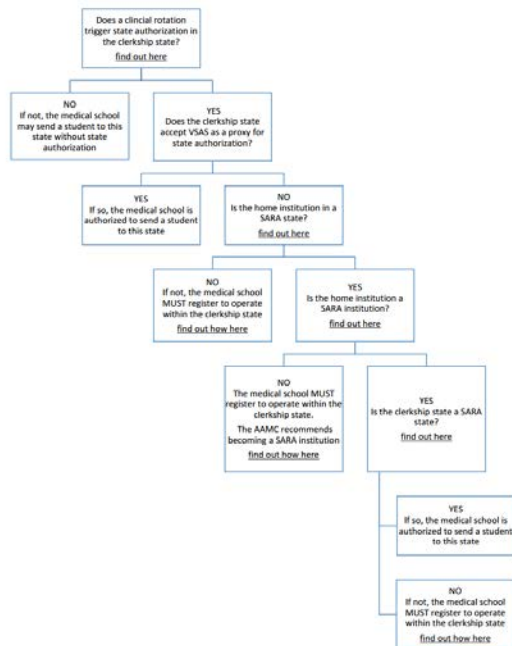


Table: State Authorization of Medical School Clinical Rotations

	SARA Member (Jan. 2016)	State Requires Authorization for Clinical Rotations? (May 2015)		SARA Member (Jan. 2016)	State Requires Authorization for Clinical Rotations? (May 2015)
Alabama	Yes	Yes	Montana	Yes	No
Alaska	Yes	No	Nebraska	Yes	No
Arizona	Yes	No	Nevada	Yes	Yes
Arkansas	Yes	No	New Hampshire	Yes	Yes
California	No	No	New Jersey	No	No
Colorado	Yes	No	New Mexico	Yes	Yes
Connecticut	No	No	New York	No	Yes
Delaware	No	Yes	North Carolina	No	Yes
D.C.	No	No	North Dakota	Yes	No
Florida	No	Yes	Ohio	Yes	Yes
Georgia	Yes	No	Oklahoma	Yes	No
Hawaii	No	No	Oregon	Yes	Yes
Idaho	Yes	Yes	Pennsylvania	No	No
Illinois	Yes	No	Rhode Island	Yes	Yes
Indiana	Yes	No	South Carolina	No	No
Iowa	Yes	No	South Dakota	Yes	No
Kansas	Yes	Yes	Tennessee	Yes	Yes
Kentucky	No	Yes	Texas	Yes	Yes
Louisiana	Yes	Yes	Utah	No	No
Maine	Yes	No	Vermont	Yes	No
Maryland	Yes	Yes	Virginia	Yes	No
Massachusetts	No	No	Washington	Yes	Yes
Michigan	Yes	No	West Virginia	Yes	Yes
Minnesota	Yes	Yes	Wisconsin	No	No
Mississippi	Yes	No	Wyoming	Yes	Yes
Missouri	Yes	Yes			

States that do not require official state authorization for clinical rotations may still:

- Request notification of activities;
- Require an application for exemption;
- Prohibit compensation of clinical supervisors;
- Place limitations on the number of students from an individual academic program; and/or
- Cap the percentage a clinical rotation represents of the total medical program (e.g., no more than 10-25%).

Table Sources:

National Council for State Authorization Reciprocity Agreements (NC-SARA) State Actions Regarding SARA, May 2015; <http://nc-sara.org/content/sara-state-status>

State Higher Education Executive Officers Association (SHEEO) State Authorization Survey and Reports, May 2015; <http://www.sheeo.org/news/233>. (Please specify whether any of the following activities would constitute a physical presence or signify “operating” in your state, assuming that the named activity is the institution’s sole activity in your state: Permitting a student to complete an internship, externship, field experience, or clinical practicum organized by the institution?)



What is State Authorization?

The basic premise is simple...

States may legally require institutions to register and meet certain requirements to operate higher education programs within their borders – a process known as “state authorization.”

State authorization is comprised of state law, regulation, guidance, and local policy.

But what constitutes “operating” within a state?

(note – every state has different rules)

Definitions

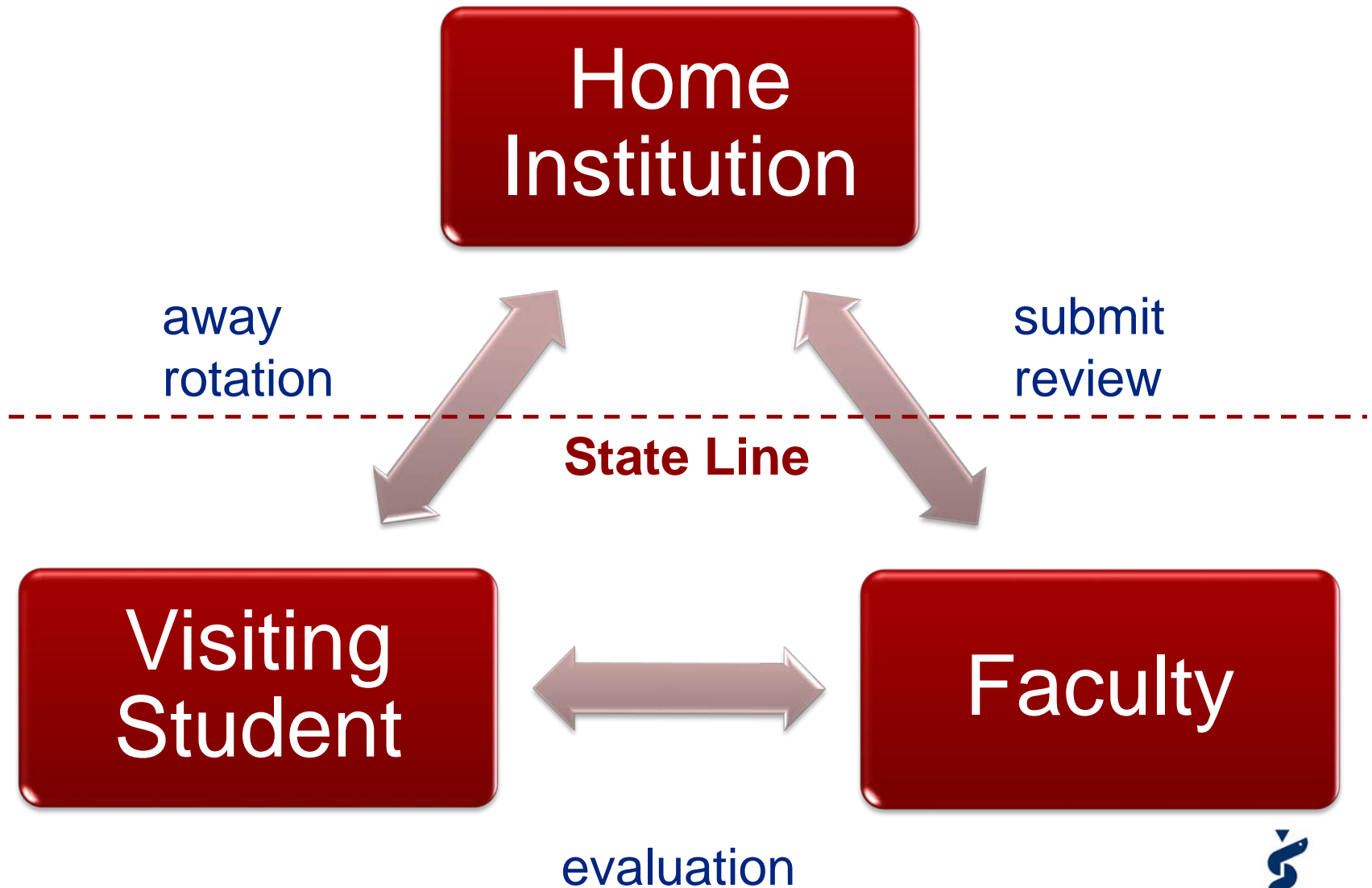
Home Institution/State: The medical school that the student regularly attends, which is predominantly located in (and presumably authorized to operate within) its home state. The home institution sponsors the clinical rotation.

Away Institution/State: The medical school or teaching hospital hosting the visiting student across state lines.

Distance Education: Typically refers to online or correspondence courses and is not applicable to clinical rotations.

Physical Presence: A type of “operating” within a state that can require state authorization. Sometimes referred to as “bricks and mortar” or “on the ground,” many states consider clinical rotations to trigger physical presence.

Clinical Rotations & State Authorization



Why Now?

- Previously on the books, but overlooked
- Quality assurance / protecting students
- Online, distance education
- For-profit programs
- International medical education
- State revenue source
- Department of Education activity

The Dept. of Education Has Been Busy

Oct. 29, 2010	Dept. of Ed. Final Rule
July 12, 2011	U.S. District Court Ruling
Feb. 21, 2012	U.S. Court of Appeals
July 27, 2012	Ed. Dear Colleague Letter
Jan. 23, 2013	Ed. Reminder Letter

The Department of Education maintains that institutions violating state law are not eligible for federal student aid.

State Authorization Non-Compliance Can Result In:

- Strongly worded letters
- Fines
- Prohibition of current and/or future clinical rotations
- Loss of main campus state authorization
- State licensure? (more of an issue for other health professions)
- Loss of eligibility for federal student aid

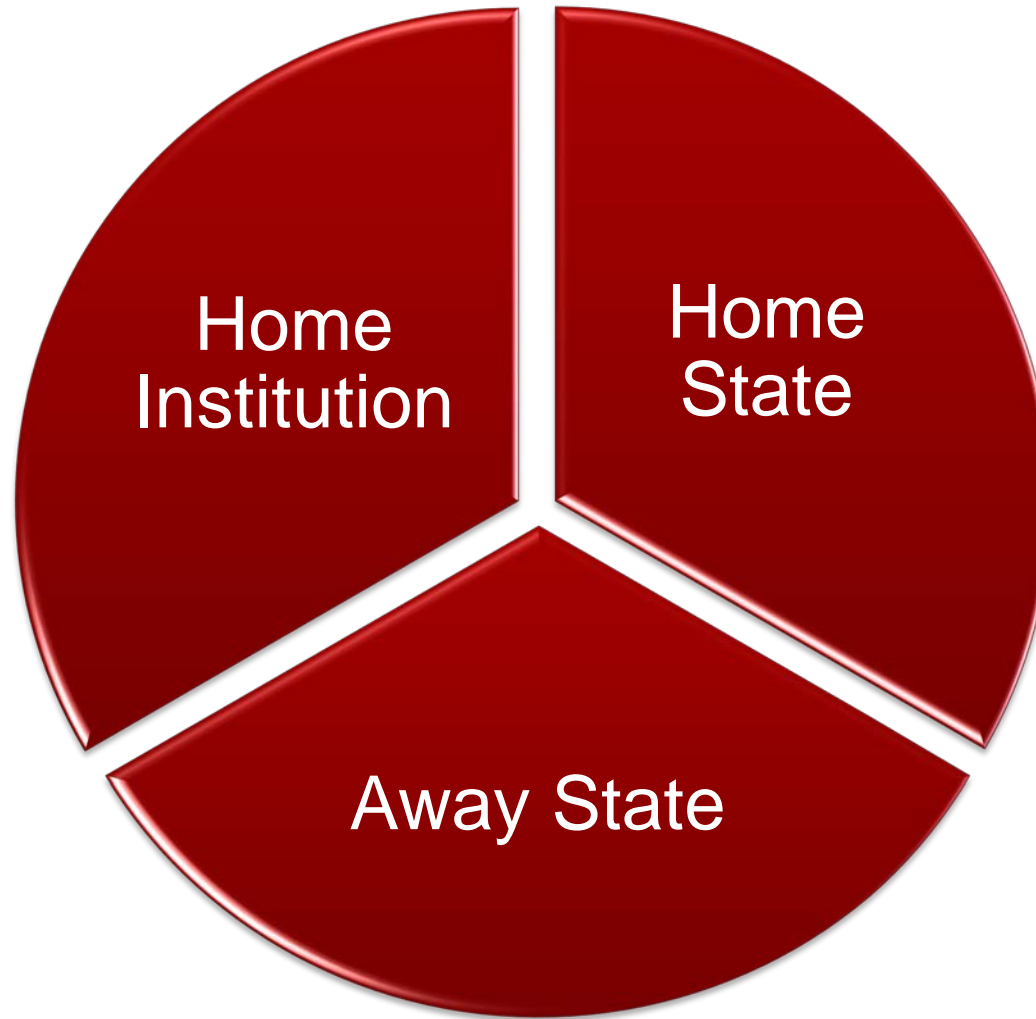
State Authorization Requirements Can Include:

- Applications, exemptions
- Annual recertification and/or reporting
- Fees: \$0 – \$15,000
- Processing time: 2 weeks – 1 year
- Duration: 1 – 5 years
- Distinctive features: peer review, orientation

State Authorization Reciprocity Agreement (SARA)

- An agreement among member states that establishes comparable national standards for interstate offering of postsecondary education
- SARA state membership is voluntary and may require a change in state law
- Annual fee to participate in SARA is based on enrolled FTE:
 - <2,500 \$2,000
 - 2,500-9,999 \$4,000
 - 10,000+ \$6,000

Three Necessary Participants for SARA

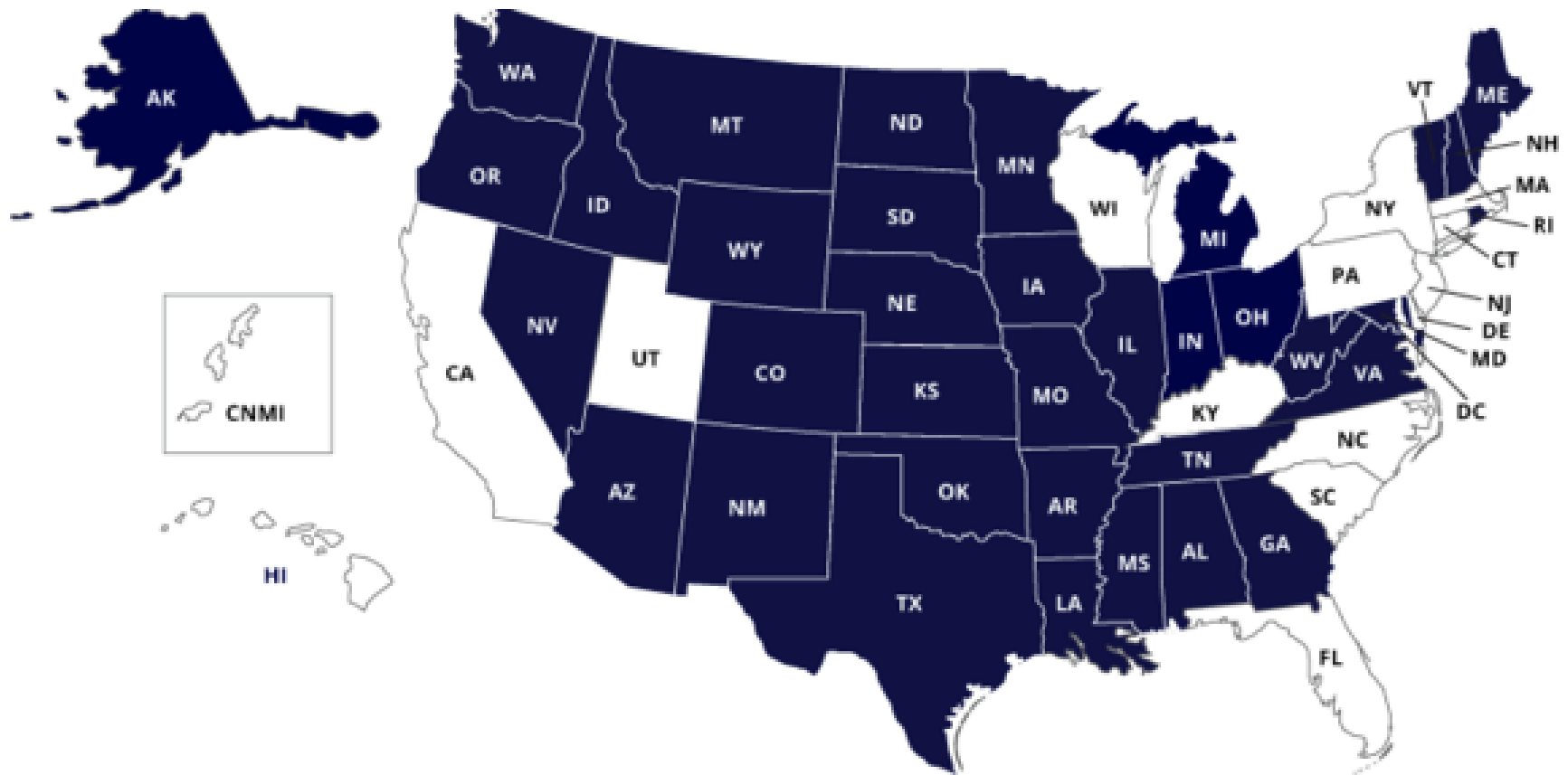


Without all three, there is no reciprocity

Clinical Rotations Under SARA

- Establishes a uniform standard for physical presence that supersedes all conflicting state laws for purposes of SARA
- “Supervised field experiences” do not establish a physical presence under SARA and are therefore covered by the provisions of SARA, whether the field experience is part of a distance-education or campus-based program
- Cannot provide for the placement of more than **ten students** from an individual academic program placed simultaneously **at one clinical or practicum site**, unless approval for a larger number is provided by the host state SARA portal agency
- Non-credit clinical rotations are covered by SARA

SARA Has Been Widely Adopted



SARA states are highlighted on the map.

Click on the state abbreviations to view participating SARA institutions.

Source: National Council for State Authorization Reciprocity Agreements (NC-SARA) <http://nc-sara.org/sara-states-institutions>

New York and the LCME/AOA Proxy

“As long as the programs are accredited by the Liaison Committee on Medical Education (LCME) or the American Osteopathic Association (AOA) and maintain that accreditation, no further authorization from our office should be necessary in order to place student interns in NY State clinical facilities.”

– New York Professional Education Program Review

North Carolina and the VSAS Proxy

“If a student applies to be placed at a site through VSAS, and is placed at an institution where post-secondary degree activity occurs, AND that institution enrolls them as a non-degree seeking student, then the student may perform the field experience.”

– UNC General Administration

“AAMC Compliance Table” Guide

State	Does the state require authorization for clinical practicum? (“State Auth?”)	Is the state a SARA member? (“SARA?”)
State 1	No	Yes
State 2	No	No
State 3	Yes	Yes
Problem State	Yes	No
Proxy State	LCME/AOA/VSAS	No

Table Sources:

State Higher Education Executive Officers Association (SHEEO) State Authorization Survey and Reports; May 2015

<http://www.sheeo.org/node/434>

National Council for State Authorization Reciprocity Agreements (NC-SARA) State Actions Regarding SARA; Jan. 2015

<http://nc-sara.org/content/sara-state-status>

Compliance Table: SARA Institutions

	State Auth?	SARA?
Alabama	Yes	Yes
Alaska	No	Yes
Arizona	No	Yes
Arkansas	No	Yes
California	No	No
Colorado	No	Yes
Connecticut	No	No
Delaware	No	No
D.C.	No	No
Florida	No	No
Georgia	No	Yes
Hawaii	No	No
Idaho	No	Yes
Illinois	No	Yes
Indiana	No	Yes
Iowa	No	Yes
Kansas	No	Yes
Kentucky	Yes	No
Louisiana	No	Yes
Maine	No	Yes
Maryland	No	Yes
Massachusetts	No	No
Michigan	No	Yes
Minnesota	No	Yes
Mississippi	No	Yes
Missouri	Yes	Yes

	State Auth?	SARA?
Montana	No	Yes
Nebraska	No	Yes
Nevada	Yes	Yes
New Hampshire	Yes	Yes
New Jersey	No	No
New Mexico	No	Yes
New York	LCME	No
North Carolina	Yes	No
North Dakota	No	Yes
Ohio	Yes	Yes
Oklahoma	No	Yes
Oregon	Yes	Yes
Pennsylvania	No	No
Puerto Rico	No	No
Rhode Island	Yes	Yes
South Carolina	No	No
South Dakota	No	Yes
Tennessee	No	Yes
Texas	Yes	Yes
Utah	No	No
Vermont	No	Yes
Virginia	No	Yes
Washington	No	Yes
West Virginia	Yes	Yes
Wisconsin	No	No
Wyoming	Yes	Yes

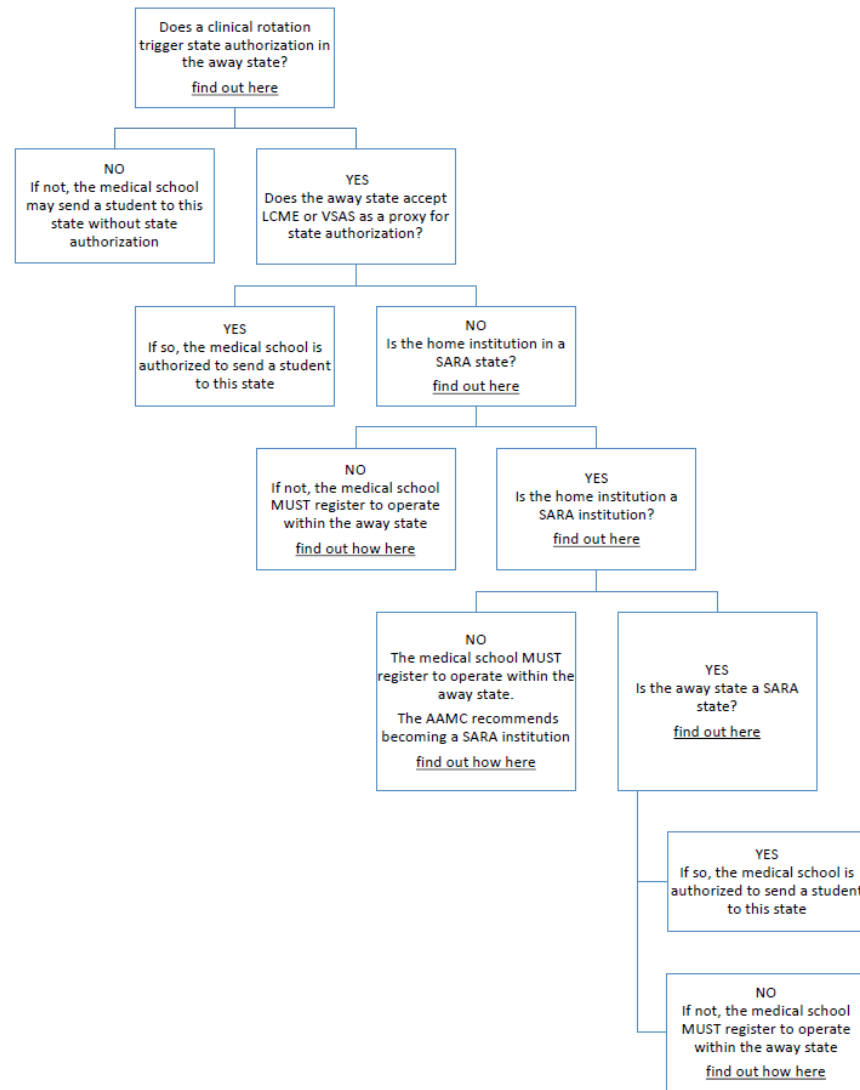
Compliance Table: non-SARA Institutions

	State Auth?	SARA?
Alabama	Yes	Yes
Alaska	No	Yes
Arizona	No	Yes
Arkansas	No	Yes
California	No	No
Colorado	No	Yes
Connecticut	No	No
Delaware	No	No
D.C.	No	No
Florida	No	No
Georgia	No	Yes
Hawaii	No	No
Idaho	No	Yes
Illinois	No	Yes
Indiana	No	Yes
Iowa	No	Yes
Kansas	No	Yes
Kentucky	Yes	No
Louisiana	No	Yes
Maine	No	Yes
Maryland	No	Yes
Massachusetts	No	No
Michigan	No	Yes
Minnesota	No	Yes
Mississippi	No	Yes
Missouri	Yes	Yes

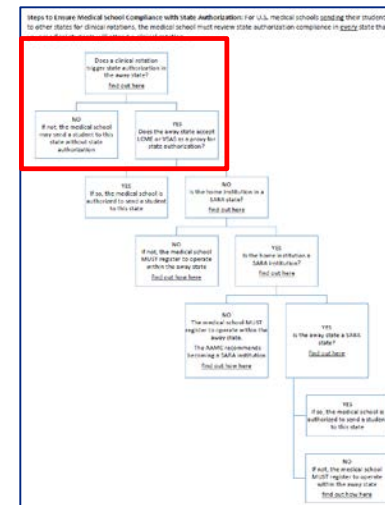
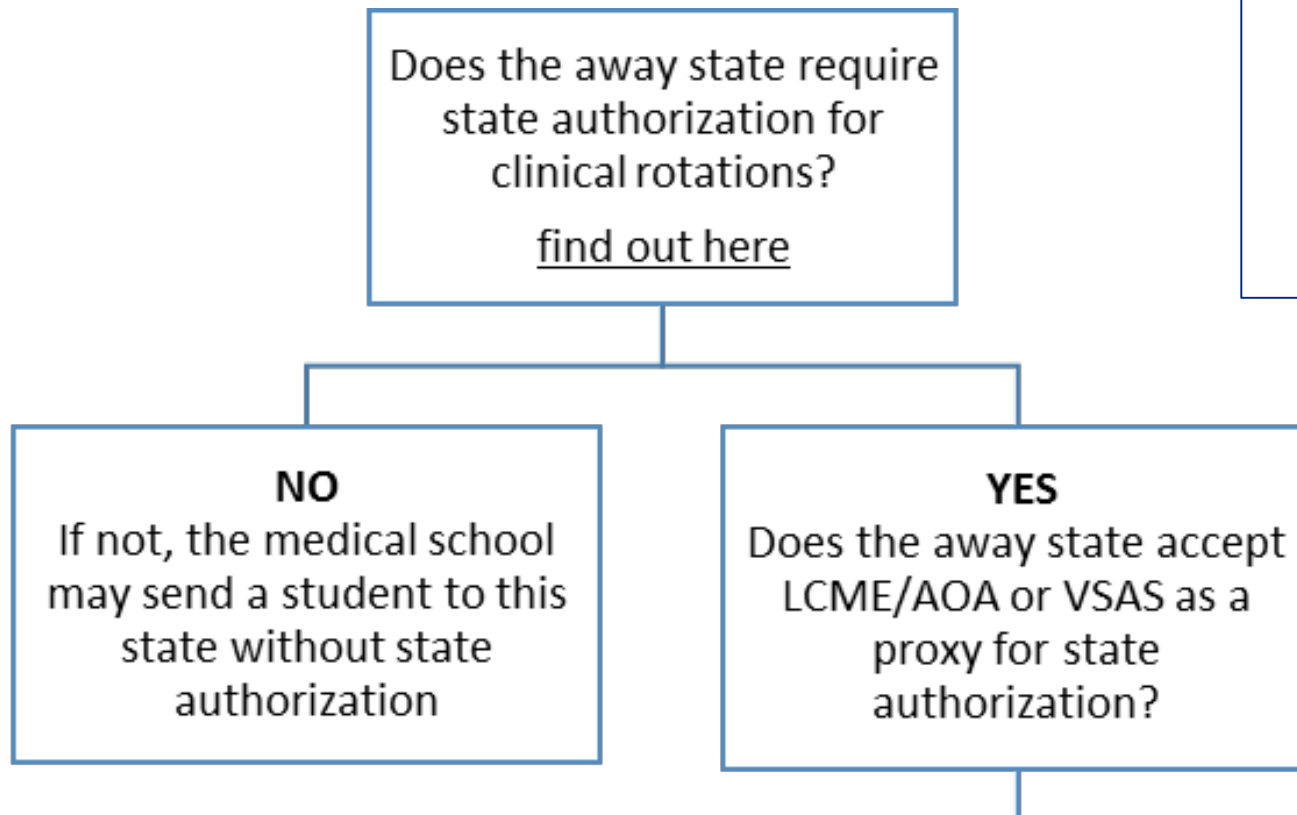
	State Auth?	SARA?
Montana	No	Yes
Nebraska	No	Yes
Nevada	Yes	Yes
New Hampshire	Yes	Yes
New Jersey	No	No
New Mexico	No	Yes
New York	LCME	No
North Carolina	Yes	No
North Dakota	No	Yes
Ohio	Yes	Yes
Oklahoma	No	Yes
Oregon	Yes	Yes
Pennsylvania	No	No
Puerto Rico	No	No
Rhode Island	Yes	Yes
South Carolina	No	No
South Dakota	No	Yes
Tennessee	No	Yes
Texas	Yes	Yes
Utah	No	No
Vermont	No	Yes
Virginia	No	Yes
Washington	No	Yes
West Virginia	Yes	Yes
Wisconsin	No	No
Wyoming	Yes	Yes

AAMC Flow Chart for Home Institutions

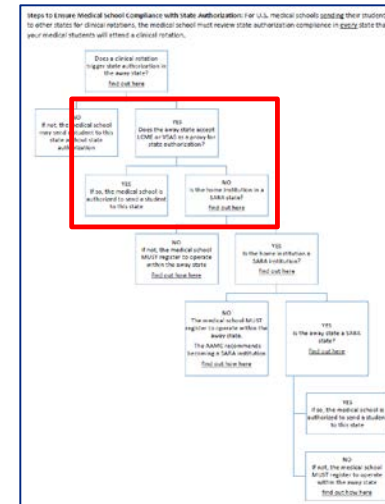
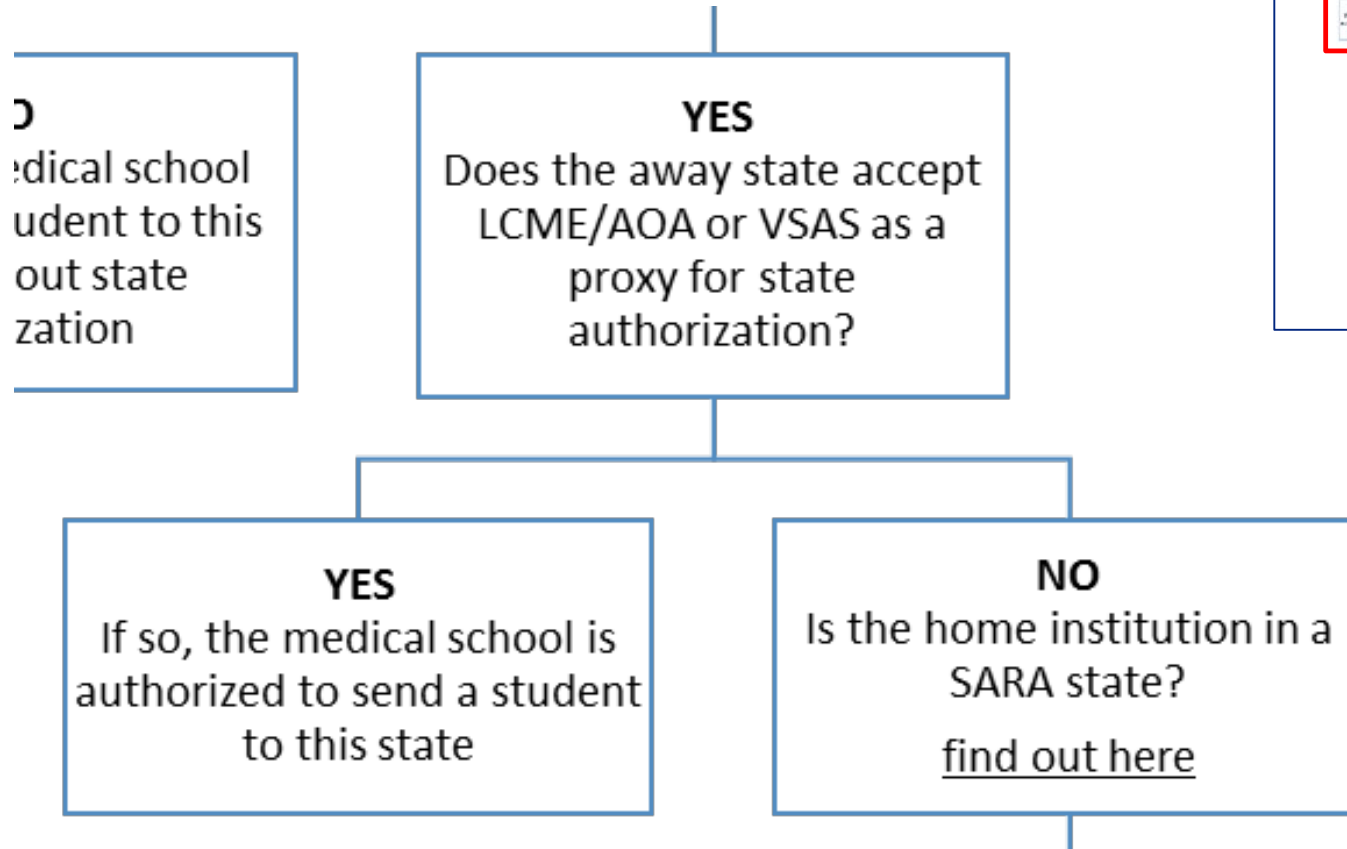
Steps to Ensure Medical School Compliance with State Authorization: For U.S. medical schools sending their students to other states for clinical rotations, the medical school must review state authorization compliance in every state that your medical students will attend a clinical rotation.



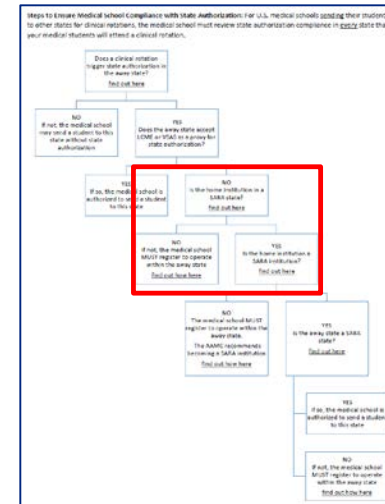
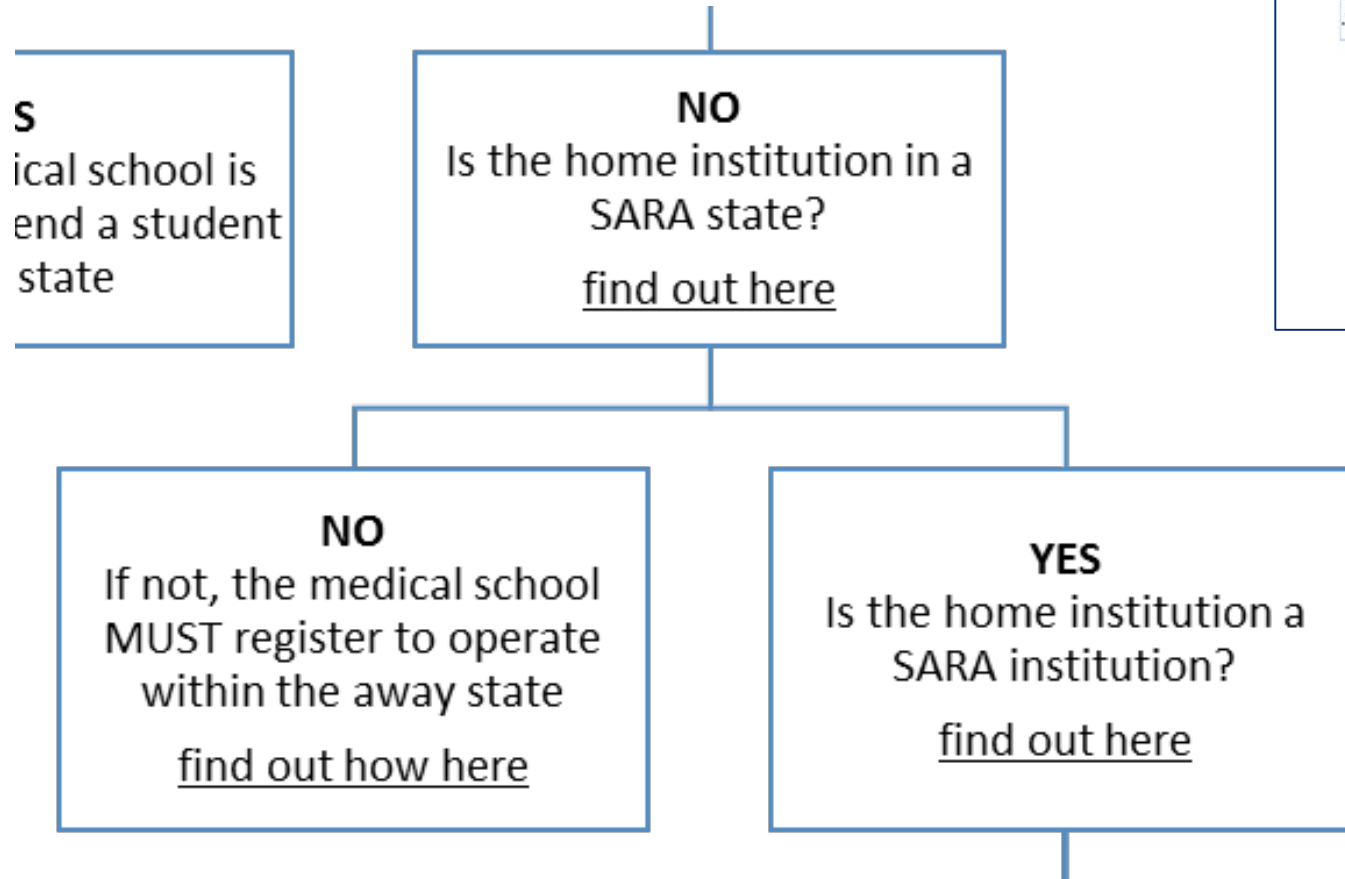
Compliance Flow Chart: Step 1



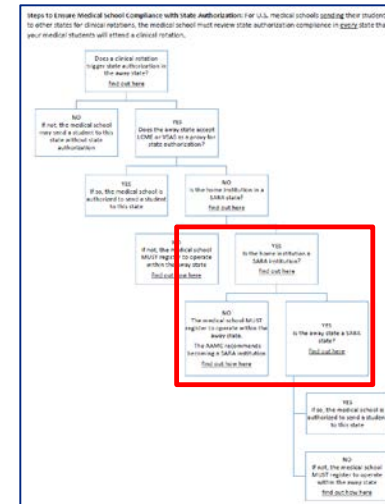
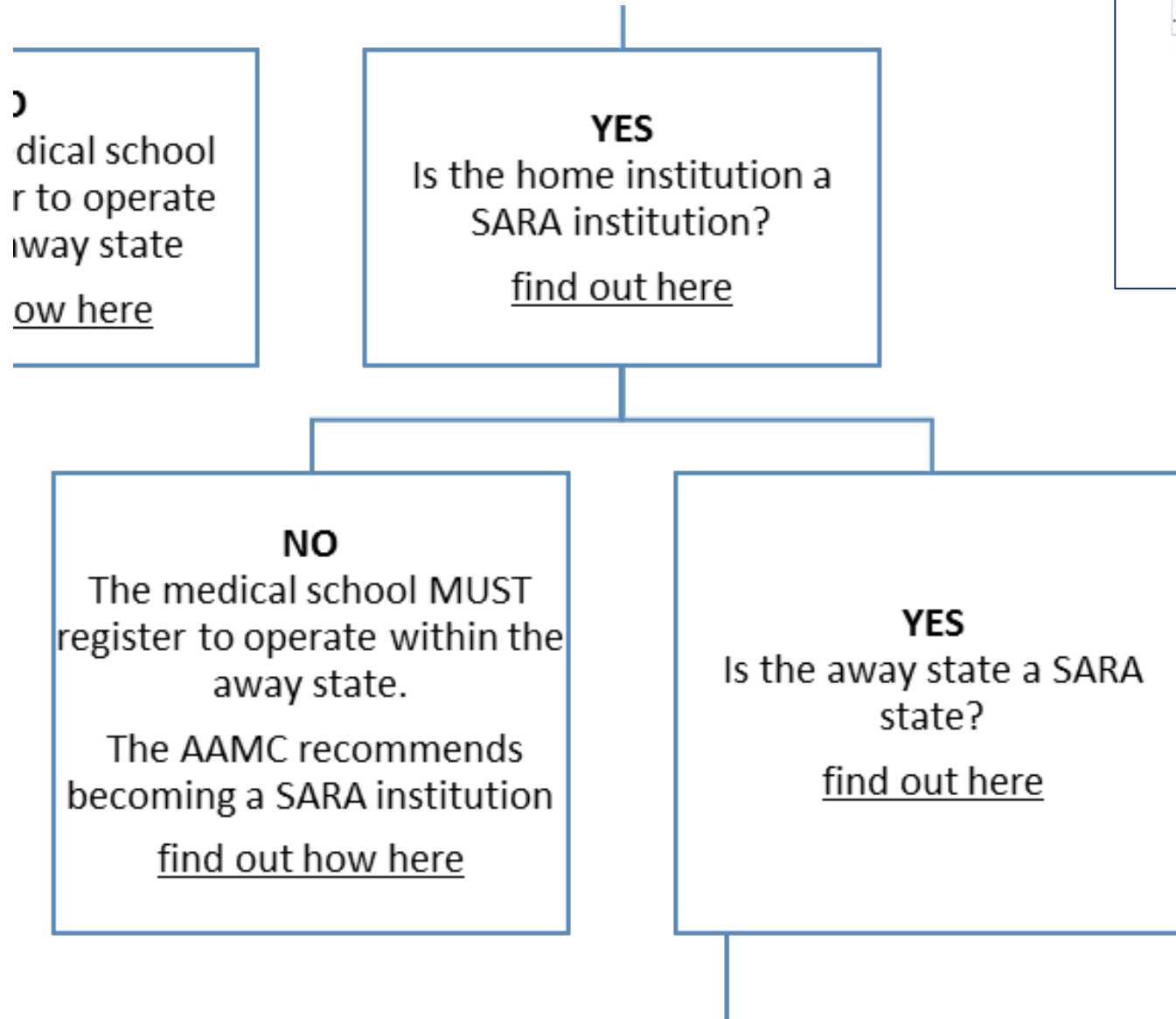
Compliance Flow Chart: Step 2



Compliance Flow Chart: Step 3



Compliance Flow Chart: Step 4

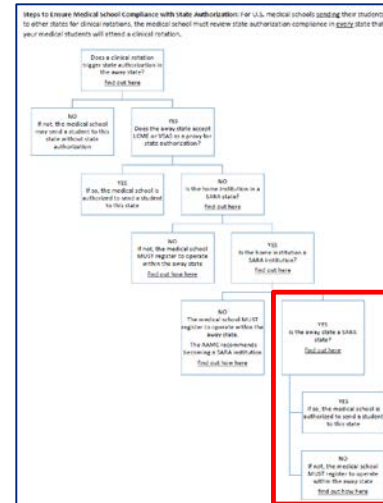


Compliance Flow Chart: Step 5

YES
Is the away state a SARA
state?
find out here

YES
If so, the medical school is
authorized to send a student
to this state

NO
If not, the medical school
MUST register to operate
within the away state
find out how here



For example: Scenario 1

A student at [Duke University School of Medicine](#) would like to attend a 4th year elective at [Oregon Health & Science University School of Medicine...](#)

- Oregon requires state authorization
- Oregon does not use a LCME/VSAS proxy
- North Carolina is not a SARA member
- Therefore, [Blue Devils](#) must register in Oregon

For example: Scenario 2

A student at University of Virginia School of Medicine would like to attend a clerkship at University of Wisconsin School of Medicine and Public Health...

- Wisconsin does not require state authorization
- Therefore, Wahoos can go to Wisconsin

For example: Scenario 3

A student at University of Oklahoma College of Medicine would like to do a rural preceptorship at University of Kansas School of Medicine...

- Kansas requires state authorization
- Kansas does not use a LCME/VSAS proxy
- Oklahoma is a SARA State
- OU is a SARA member
- Kansas is a SARA member
- Therefore, Sooners can go to Kansas

Disclaimer: States May Have Requirements That Don't Fall Under "State Authorization"

- Notification of activities
- Application for exemption
- Prohibit compensation of clinical supervisors
- Place limitations on the number of students from an individual academic program
- Cap the percentage a clinical rotation represents of the total medical program (e.g., no more than 10-25%)

Disclaimer: Non-Clinical Activities May Trigger State Authorization

- Remote campuses (physical infrastructure)
- Marketing, advertising
- Recruitment activities
- Online programs (distance education)
- Required testing locations
- Faculty in another state
- Continuing Medical Education?

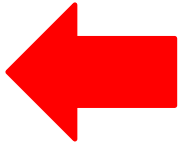
Additional Resources

AAMC State Authorization Guidance

- [“State Authorization and Medical Education”](#)

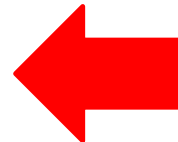
State Higher Education Executive Officers Association (SHEEO)

- [State Authorization Surveys](#) (see “5. Physical Presence Policy – Common Triggers” and 5B2a. regarding clinical rotations)
- [Directory of State Authorization Agencies and Lead Contacts](#)



National Council for State Authorization Reciprocity Agreements (NC-SARA)

- [SARA States and Institutions](#)
- [Becoming a SARA Institution](#)



Questions?

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