

Fiscal Note for 21 NCAC 64 .1003

Agency: North Carolina Board of Examiners for Speech and Language Pathologists and Audiologists

Rule Citation(s): 21 NCAC 64 .1003 Licensee Requirements

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Rulemaking Authority: G.S. 90-304(a)(3)

Impact Summary:

State Government: Yes
Local Government: Yes
Private Sector: Yes
Substantial Impact: Likely

1. Introduction and Purpose

The North Carolina Board of Examiners for Speech and Language Pathologists and Audiologists (the “Board”) regulates the practice of speech and language pathology and audiology in North Carolina to protect public health, safety, and welfare. The General Assembly has found that regulation is necessary to protect the public from incompetent or unprofessional practitioners and to help ensure the availability of high-quality speech and language pathology and audiology services across the state.

The Board establishes licensing and practice standards, administers examinations, enforces ethical rules, investigates complaints, and disciplines individuals who violate Board rules or state law. The General Assembly has authorized the Board to adopt rules related to license applications, credentialing, and supervision to support these functions.

Note on public school practice: While the North Carolina State Board of Education requires a valid license from this Board as the primary professional credential for public school service, the Department of Public Instruction (DPI) handles school employment authorization and salary

placement. DPI monitors compliance with education laws but defers to this Board on clinical practice standards.

The purpose of the proposed amendments to 21 NCAC 64 .1003 is to codify minimum supervision requirements and related documentation standards for SLPs supervising Speech-Language Pathologist Assistants (SLP-Assistants), to improve quality of care and reduce negative client outcomes.

2. Description of Proposed Rule Changes

2.1 Overview

21 NCAC 64 .1003 governs the supervision of SLP-Assistants by primary supervising SLP licensees. Under current rule and practice, SLPs are responsible for supervising SLP-Assistants to ensure quality of care, but the rule does not specify a minimum level of supervision. The amended rule clarifies and codifies expectations for supervision, including routine observation, feedback, performance evaluation, task assignment, and documentation of the SLP-Assistant's implementation of treatment protocols.

2.2 Target Behavior Review

The amended rule requires supervising SLPs to update and recertify each patient's target behavior at least every 90 days. This periodic review is intended to confirm that treatment goals remain appropriate and clinically necessary, and to ensure that SLPs and SLP-Assistants are providing services aligned with the patient's current needs.

2.3 Competency Evaluation and Documentation

The amended rule requires supervising SLPs to evaluate SLP-Assistant competencies using a standardized Competency Rating Scale (Form D). Form D directs SLPs to assess multiple skill areas, including clerical skills, interpersonal skills, professional conduct, technical skills, and any other skills the supervising SLP deems necessary for safe and effective practice.

The amended rule also requires the supervising SLP to review and approve all documentation prepared by the SLP-Assistant at least once every 30 days. Regular competency and documentation reviews are intended to give supervising SLPs better insight into the SLP-Assistant's performance and to support consistent quality of care.

2.4 Minimum Supervision Hours

The amended rule establishes a minimum supervision standard over each 90-day period.

- A full-time SLP-Assistant must receive at least 6 hours of direct supervision and 6 hours of indirect supervision from the supervising SLP every 90 days.

- A part-time SLP-Assistant must receive at least 3 hours of direct supervision and 3 hours of indirect supervision every 90 days.

This equates to a total minimum supervision requirement of 12 hours per 90 days for a full-time SLP-Assistant, or approximately 0.9 hours (55 minutes) of supervision per week. The standard is intended as a floor; many SLPs are already providing more frequent or intensive supervision.

The Board developed the 90-day framework after reviewing supervision standards in neighboring and regional states. The Board endeavored to codify minimum supervision levels and balance the need for flexibility in scheduling and caseload management.

3. Comparison to Other States

North Carolina currently has no codified minimum supervision standard for SLP-Assistants in statute or rule, although SLPs must already provide some level of supervision to comply with N.C. Gen. Stat. § 90-298.1. The Board reviewed supervision requirements in several southeastern states and found that the proposed minimum is broadly consistent with regional practice.

Examples include:

- South Carolina requires an SLP to directly supervise an SLP-Assistant in a minimum of 1 in 7 therapy sessions per patient.¹ SLP's must provide indirect supervision of 5% of SLP-Assistant's sessions.² The SLP must conduct quarterly performance reviews of each SLP-Assistant's performance of the assigned service or task.³
- Virginia requires SLP's to directly supervise 2 SLP-Assistant client sessions every 30 days.⁴ The SLP shall personally deliver treatment and services to a client receiving some services from an SLP-Assistant every 30 days.⁵
- Tennessee requires SLP's to provide 15 hours of training to SLP-Assistants in the first 30 days of employment.⁶ SLP's must provide full supervision of an SLP-Assistant for the first 10 hours of patient contact.⁷ Subsequently, the SLP must provide direct supervision of an SLP-Assistant for 10% of the SLP-Assistant's time each week and the SLP must provide indirect supervision of an SLP-Assistant for 20% of the SLP-Assistant's time each week.⁸ If the SLP-Assistant fails to accurately record patient target behaviors over 2 consecutive sessions, the SLP-Assistant shall be retrained in the necessary skills and the SLP is required to supervise every SLP-Assistant session until the SLP-Assistant accurately records patient

¹ S.C. Code Ann. Regs. 115-2(G).

² S.C. Code Ann. Regs. 115-2(H).

³ S.C. Code Ann. Regs. 115-2(I).

⁴ 18VAC30-21-140(E)(2).

⁵ 18VAC30-21-140(A)(2)(b).

⁶ Tenn. R. & Regs. 1370-01-.14(f)(1).

⁷ Tenn. R. & Regs. 1370-01-.14(f)(4)(i).

⁸ Tenn. R. & Regs. 1370-01-.14(f)(4)(ii)-(iii).

target behaviors over 2 consecutive sessions.⁹

- Georgia requires SLP's to provide full supervision of an SLP-Assistant for the first 10 hours of patient contact.¹⁰ Subsequently, the SLP must provide direct supervision of an SLP-Assistant for 1 hour of SLP-Assistant's weekly patient contact.¹¹ The SLP-Assistant must meet a 90% accuracy in recording patient target behaviors.¹² If the SLP-Assistant fails to accuracy requirements, the SLP must retrain and increase supervision until 90% accuracy is achieved.¹³
- West Virginia requires a 2-hour course for SLP's to become an SLP supervisor.¹⁴ SLP's must provide full supervision of an SLP-Assistant for the first 3 hours of the SLP-Assistant's patient contact and a minimum on 1 direct observation for each subsequent 2-week period.¹⁵ In addition, the SLP must provide direct supervision for 20% of the SLP-Assistant's patient contact hours for the first 90 days.¹⁶ If the SLP-Assistant fails to meet a 90% accuracy in recording patient target behaviors in 3 consecutive direct observations, the SLP must retrain the SLP-Assistant and increase direct supervision to 50% of the SLP-Assistant's clinical sessions until 90% accuracy is achieved for 3 consecutive direct observations.¹⁷ If an SLP-Assistant provides services for a medically fragile patient, the SLP must provide direct supervision during every session.¹⁸

Across these states, the regional standard for full-time employment ranges from 30 to 40 hours per week, which aligns with N.C. Gen. Stat. § 90-295, defining full-time professional experience as at least 30 hours per week for nine months in a calendar year. The Board's proposed supervision minimum of 12 hours over 90 days (approximately 0.9 hours per week) falls within the range implied by these regional standards.

⁹ Tenn. R. & Regs. 1370-01-.14(f)(4)(vi).

¹⁰ Ga. Comp. R. & Regs. 609-6-.01(C)(6)(i).

¹¹ Ga. Comp. R. & Regs. 609-6-.01(C)(6)(ii).

¹² Ga. Comp. R. & Regs. 609-6-.01(C)(6)(iv).

¹³ Ga. Comp. R. & Regs. 609-6-.01(C)(6)(v).

¹⁴ W. Va. Code R. 29-2-4.1.2.

¹⁵ W. Va. Code R. 29-2-4.1.5.

¹⁶ W. Va. Code R. 29-2-4.1.7.

¹⁷ W. Va. Code R. 29-2-4.1.5.

¹⁸ W. Va. Code R. 29-2-4.1.7.

4. Affected Population and Baseline Assumptions

Each year the Board reviews the number of SLP’s and SLP-Assistants that are under Board supervision. On September 30 of each year, the population of Board Supervised Licensees were as follows:

<u>Year</u>	<u>Number of SLP’s</u>	<u>Number of SLP-Assistants</u>
2025	9,303	541
2024	9,151	507
2023	8,809	478
2022	8,689	419
2021	8,531	393

The analysis uses the current population of 541 SLP-Assistants figure as its primary baseline for estimating impacts, but all future SLP licensees and SLP-Assistants will also be subject to these supervision and documentation requirements as they enter practice. The Board's licensee population has shown growth and this trend is expected to continue. From 2021-2022 there was a 6.2% increase in SLP-Assistants; from 2022-2023 there was a 12.3% increase in SLP-Assistants; from 2023-2024 there was a 5.7% increase in SLP-Assistants; from 2024-2025 there was a 6.3% increase in SLP-Assistants. From 2021-2025 there was an overall increase in SLP-Assistants of 27.4%.

Medicaid is used as a proxy for billable hourly rates because private insurance and private-pay reimbursement rates vary by payer and provider and detailed data are not readily available. North Carolina Medicaid reimburses SLP and SLP-Assistant services at \$66.89 per half-hour session, or \$133.78 per hour. Private insurance rates are expected, on average, to be higher than Medicaid, so the Medicaid rate likely yields a conservative (low) estimate of billable value.

For purposes of estimating annual supervision cost per SLP, the analysis assumes 52 weeks of potential billable services per year, recognizing that this likely overstates actual cost because it does not account for vacation or other non-billable time.

5. Economic Impact – Supervision Time

5.1 Cost of One Hour of Supervision per Week

If a supervising SLP devotes one hour per week to supervision that displaces otherwise billable services at the Medicaid proxy rate, the annual cost is:

- \$133.78 (per hour) × 52 weeks = \$6,956.56 per year per SLP-Assistant.

Under the proposed rule, a full-time SLP-Assistant must receive 12 hours of supervision over 90 days, equivalent to approximately 0.923 hours per week. Applying this factor:

- $\$6,956.56 \times 0.923 \approx \$6,420.91$ per year in supervision time per SLP-Assistant if all supervision displaced billable time.

5.2 Adjusting for Existing Supervision

SLPs are already required to provide supervision under N.C. Gen. Stat. § 90-298.1, and many are expected to be meeting or exceeding the proposed minimum in current practice. To reflect this, the analysis considers a sliding scale of the percentage of the amended requirement already being provided (10% to 90%), and calculates the incremental cost of moving up to 100% of the proposed minimum.

The table below illustrates the reduction in incremental annual impact as existing supervision approaches the proposed standard.

<u>Percent of Amended Requirement Already Provided</u>	<u>Number of Minutes per Week (Approx.)</u>	<u>Annual Incremental Cost per SLP-Assistant (Reduction from \$6,420.91)</u>
10%	5.54	\$642.09
20%	11.08	\$1,284.18
30%	16.61	\$1,926.27
40%	22.15	\$2,568.36
50%	27.69	\$3,210.46
60%	33.23	\$3,852.55
70%	38.77	\$4,494.64
80%	44.3	\$5,136.73
90%	49.84	\$5,778.82

If an SLP is already providing 100% of the proposed supervision requirement, the incremental impact of the rule is zero for that SLP.

5.3 Focused Scenario – Assistants with Inadequate Supervision

The Board regularly receives and investigates consumer complaints stemming from SLP-Assistant misconduct, which is presumed to be largely due to lack of SLP supervision. The following information is based on the year the complaint was received, but the outcomes may not necessarily occur in the same year as the complaint.

<u>Year</u>	<u>Number of Complaints</u>	<u>Number involving SLP-Assistants</u>
2025	26	7
2024	16	4

2023	17	3
2022	27	10

Complaints data suggest that only a subset of SLP-Assistants are likely to be receiving significantly less supervision than contemplated by the rule. One scenario is to assume that complaints are received for approximately 2% of SLP-Assistants per year and that those supervisors are providing only 20% of the proposed minimum supervision. In that case, these supervisors would need to increase supervision by 80% of the 12-hour requirement over each 90-day period.

Under this scenario, the incremental annual supervision cost per affected SLP-Assistant is approximately \$5,136.73 (the 80% row in the table). For roughly 11 SLP-Assistants (2% of 541), the aggregate incremental cost would be about \$56,507 per year. This estimate is likely low because not all under-supervised assistants may generate complaints, and the Medicaid-based rate likely understates supervisory opportunity cost, where private insurance or private pay rates are higher.

The average cost per complaint, including legal counsel, in-office personnel time, investigator time, and Board per diems is \$3,600 per complaint. Of the 9 SLP-Assistant complaints, the approximate total cost for Board enforcement was \$32,400 in 2025.

Licensee comments and complaint patterns suggest that most SLP's are already providing supervision at or above the levels proposed in the amended rule. The amended rule codifies these common practices as a clear minimum standard, consistent with supervision norms across the southeastern United States. The Board anticipates that the amended rule will provide greater supervision of SLP-Assistants resulting in fewer consumer complaints and negative client outcomes.

5.4 Sensitivity to Higher Billable Rates

The supervision cost estimates above are based on the Medicaid reimbursement proxy of \$133.78 per hour. Because many private-sector SLPs serve clients covered by private insurance or private pay, actual billable rates may be higher, which would proportionally increase the value of time spent on supervision.

To illustrate this sensitivity, if billable rates were 25% or 50% higher than the Medicaid proxy, the estimated annual cost of 12 hours of supervision per 90-day period for a full-time SLP-Assistant would scale as follows:

- At \$167.23 per hour (25% higher), the annual supervision cost equivalent to the proposed standard (0.923 hours per week) would be approximately \$8,026 per assistant ($167.23 \times 52 \times 0.923$).
- At \$200.67 per hour (50% higher), the annual supervision cost at the proposed standard would be approximately \$9,631 per assistant ($200.67 \times 52 \times 0.923$).

Similarly, the incremental cost for an SLP who must increase supervision from 20% to 100% of the proposed standard (the 80% scenario in Section 5.3) would increase from about \$5,137 per assistant per year at the Medicaid proxy rate to roughly \$6,421 at a 25% higher rate, and \$7,706 dollars at a 50% higher rate. These sensitivities illustrate that, in higher-rate settings, supervision-related costs and benefits (measured in foregone billable time) will be correspondingly larger.

5.5 Sensitivity to Higher Shares of Under-Supervised Assistants

The focused scenario in Section 5.3 assumes that 2% of SLP-Assistants (approximately 11 out of 541) are receiving only 20% of the proposed supervision standard and must increase supervision to 100%. To examine how the total impact changes if a larger share of assistants fall into this category, the same per-assistant incremental cost (approximately \$5,137 per year at the Medicaid rate) can be applied to different percentages:

- At 5% of assistants (about 27 individuals), the incremental supervision cost would be roughly \$139,000 per year.
- At 10% of assistants (about 54 individuals), the incremental supervision cost would be roughly \$278,000 per year.
- At 20% of assistants (about 108 individuals), the incremental supervision cost would be roughly \$557,000 per year.

These scenarios show that, if a larger portion of assistants is currently significantly under-supervised, total supervision-related costs could grow accordingly. The scenarios also imply that the potential benefits, of avoided client harm and reduced complaint and enforcement costs, would likely be larger in such scenarios, because more assistants would be moving from inadequate to adequate supervision.

5.6 Sensitivity to Mixed Supervision Patterns

In practice, SLP-Assistants are unlikely to fall neatly into a single category of “fully supervised” or “20% supervised.” Some may already be closer to the proposed standard. To illustrate, consider a mixed scenario in which:

- 2% of assistants (about 11 individuals) are currently at 20% of the proposed supervision standard and must increase by 80%; and
- An additional share (for example, 10% of assistants, or about 54 individuals) are currently at 50% of the standard and must increase by 50%.

In this example, the 2% group would each incur the higher incremental cost (approximately \$5,137 per assistant per year at Medicaid rates), while the 10% group would incur a lower incremental cost corresponding to the 50% scenario in the sliding-scale table (approximately \$3,210 per assistant per year). Multiplying those per-assistant figures by the number of affected assistants yields a total incremental supervision cost that falls between the 2% and 20% scenarios described in Section 5.5.

This type of mixed pattern is likely more realistic than assuming all under-supervised assistants are at the same starting level, further underscoring that total supervision-related costs and associated benefits from improved supervision will depend heavily on how many assistants are currently below the proposed standard and by how much.

6. Economic Impact – Administrative Tasks and Paperwork

6.1 New or Clarified Administrative Requirements

The amended rule formalizes several administrative activities that may involve additional time for most or all SLPs:

- Completing and updating the target behavior forms every 90 days.
- Conducting and documenting competency evaluations using Form D.
- Reviewing and approving SLP-Assistant documentation at least every 30 days.

These activities are largely consistent with existing expectations for supervision, but they are now more clearly specified, standardized, and time-bound in rule.

6.2 Estimated Administrative Burden

For purposes of this analysis, the Board assumes that the clarified paperwork and administrative requirements will add modest, incremental time for supervising SLPs beyond current practice. Specifically, per SLP-Assistant:

- Target behavior review and recertification at least every 90 days is assumed to require an additional 10 minutes per quarter (0.16 hours) per patient, for a total of 0.68 hours per year, per patient. Each SLP-Assistant is estimated to have 35 patients under their care. The current rule requires SLP's to complete the one target behavior review per year. Therefore, an SLP will complete a total of 140 target behavior reviews per year, at 10 minutes per review for a total annual requirement of 23.33 hours. However, since a one target behavior form is already required, the new rule will add 17.5 hours.
- Completion of the Competency Rating Scale (Form D) is assumed to require 30 minutes per quarter (0.5 hours), for a total of 2.0 hours per year.
- The requirement to review and approve SLP-Assistant documentation at least every 30 days is assumed to require an additional 15 minutes per month (0.25 hours), for a total of 3.0 hours per year.

Under these assumptions, the clarified administrative requirements represent approximately 22.5 additional hours of SLP time per assistant per year. Using the Medicaid reimbursement proxy of \$133.78 per hour, this equates to an estimated annual administrative cost of about \$3,010.05 per SLP-Assistant (22.5 hours × \$133.78). This estimate is intentionally conservative because:

- Many supervising SLPs already perform comparable reviews as part of good practice,

- meaning the incremental time spent due solely to the rule will be lower; and
- Some portion of these administrative tasks can be completed within the indirect supervision hours already required by the rule, rather than displacing additional billable sessions.

Aggregated across 541 SLP-Assistants, this upper-bound estimate would be approximately \$1,628,437.05 per year. The Board expects actual incremental administrative costs to be meaningfully lower than this figure in practice, because supervising SLPs already carry out many of these activities and can integrate them into their existing supervision and documentation workflow. In addition, all of the above tasks may be completed as a part of the hours required for SLP's supervision of an SLP-Assistant as indirect supervision.

7. State Government Impact

The Board is a state agency, and the rule will affect its operations by potentially reducing complaint volume and enforcement workload related to inadequate supervision over time.

In addition, some licensed SLPs and SLP-Assistants affected by the rule are employees of state agencies, including public schools and other state-operated programs. For these state employers, the rule may result in scheduling adjustments and some allocation of staff time to meet supervision and documentation requirements; these costs are expected to be modest and largely embedded within existing staffing and service delivery structures.

8. Local Government Impact

Local governments, particularly local education agencies (LEAs) and county programs, employ SLPs and SLP-Assistants who will be subject to the rule's supervision and documentation requirements. For these entities, the primary impact is the need to ensure that supervising SLPs have sufficient time in their schedules to meet the minimum supervision and documentation standards.

The rule does not impose new fees or payments on local governments. Any fiscal effect is expected to arise from staff time allocation and potential adjustments to caseloads or staffing patterns, which are anticipated to be minimal and consistent with the overarching goal of ensuring safe and effective service delivery.

9. Private Sector Impact

The rule primarily affects private sector SLPs and SLP-Assistants in clinics, hospitals, private practices, and other non-governmental settings. It will:

- Codify minimum supervision hours for SLP-Assistants.
- Standardize expectations for target behavior review, competency evaluation, and documentation review.
- Introduce some additional administrative tasks related to forms and recordkeeping.

On the cost side, private-sector SLPs may experience:

- **Incremental supervision time** where current supervision is below the proposed minimum. For the subset of SLP-Assistants whose supervisors are significantly increasing supervision to meet the rule, the incremental cost could be approximately \$5,000 - \$6,000 per assistant per year when valued at the Medicaid reimbursement proxy of \$133.78 per billable hour. However, complaint data and licensee feedback suggest that many SLPs are already meeting or exceeding the proposed standard, so this higher cost is expected to apply only to a relatively small share of licensees.
- **Incremental administrative time** for activities such as updating target behavior forms every 90 days, completing the Competency Rating Scale (Form D), and reviewing and approving SLP-Assistant documentation at least every 30 days. Using conservative assumptions, these clarified requirements are estimated to add about 22.5 hours of SLP time per assistant per year. Valued at the Medicaid proxy rate, this equates to approximately \$3,010 per SLP-Assistant per year (22.5 hours × \$133.78). This estimate is likely an upper bound, as many SLPs already perform similar tasks and can complete them within the indirect supervision time required by the rule, rather than displacing additional billable sessions.

Taken together, the combined supervision and administrative impacts on the private sector will depend on each practice's baseline. In practices serving primarily privately insured or private-pay clients, where billable rates are higher than Medicaid, the dollar value of supervision and administrative time could be proportionally higher than the Medicaid-based estimates shown in this analysis. Practices already operating at or above the proposed supervision and documentation standards may see little to no incremental cost, while practices that must increase supervision and formalize paperwork may face higher, but still manageable, costs. These costs are partially offset by anticipated qualitative benefits to the private sector, including clearer expectations for supervisors and assistants, more consistent supervision practices, and a lower risk of supervision-related complaints, client harm, and associated legal or reputational costs. In addition, the incremental increase in administrative time will overlap with the SLP's time providing indirect supervision of the SLP-Assistant.

In settings where billable rates are higher than Medicaid (for example, private insurance), supervision and administrative costs could be 25-50% higher than the dollar figures presented here, though the underlying hours of supervision do not change.

10. Benefits

The primary intended benefits of the proposed rule are improvements in quality of care, reductions in negative client outcomes, and clearer expectations for SLPs and SLP-Assistants. While these benefits cannot be quantified with certainty, complaint and enforcement data provide evidence that inadequate supervision can lead to client harm and Board enforcement costs.

In 2024, the Board investigated 14 complaints and took disciplinary action against two licensees, resulting in two suspensions or revocations. In 2025, the Board investigated 34 complaints, nine of which involved SLP-Assistants; the Board suspended three SLP-Assistant registrations and issued six letters of instruction. The average cost per complaint, including legal counsel, staff time, investigator time, and Board per diems, is estimated at approximately \$3,600, resulting in a total enforcement cost of about \$32,400 for the nine SLP-Assistant complaints in 2025.

The Board anticipates that explicit minimum supervision standards, regular target behavior review, and standardized competency and documentation review will reduce the frequency and severity of supervision-related complaints over time. However, the Board cannot definitively state that the rule will reduce complaints or improve outcomes by a specific amount, and the realized benefits will depend on how licensees implement and sustain the new requirements.

Other qualitative benefits include:

- Greater clarity and transparency for SLPs and SLP-Assistants regarding supervision expectations.
- More consistent supervision practices across employment settings.
- Improved alignment with supervision standards in other southeastern states.
- Enhanced protection for clients, particularly vulnerable or medically fragile populations.

11. Alternatives Considered

Potential alternatives include:

- **No rule change (status quo):** Under this option, the Board would continue to rely on existing statute and general supervision language in rule without specifying a minimum number of supervision hours or explicit documentation and competency requirements. This alternative was rejected because recent complaint experience demonstrates that a lack of clear baseline expectations allows significant variation in supervision practices, including cases of inadequate supervision that have contributed to client harm and Board disciplinary actions. Maintaining the status quo would not address these identified risks or provide needed clarity to licensees.
- **Higher minimum supervision hours:** The Board considered requiring a higher minimum than 12 hours of supervision per 90 days for full-time SLP-Assistants. A higher standard could potentially provide additional protections but would also increase supervision-related costs, limit flexibility in staffing and scheduling, and move North Carolina beyond what is typical in the southeastern region. Given the absence of evidence that a higher numeric minimum would materially improve outcomes beyond those expected from the proposed standard, the Board concluded that this option would impose additional cost without a commensurate demonstrated

benefit.

- **Lower minimum supervision hours:** The Board also considered setting a lower minimum supervision hour requirement, or adopting qualitative guidance (e.g., “adequate” or “appropriate” supervision) without specific numeric thresholds. A lower minimum could reduce costs, but it would not sufficiently address the supervision concerns reflected in recent complaints and would not align with the supervision levels observed in neighboring states. Qualitative guidance alone would not give licensees or the public a clear, enforceable benchmark.
- **Non-regulatory approaches (education and guidance):** As another alternative, the Board could have relied solely on non-binding guidance, training, or educational materials to encourage stronger supervision practices. Although the Board may continue to use these tools, it determined that guidance alone, without a clear minimum standard in rule, would not reliably prevent inadequate supervision or provide a consistent basis for enforcement.
- **Continuing Education:** The Board considered increasing the continuing education requirement outlined in 21 NCAC 64 .0218. Currently, SLPs are required to attend 30 hours of continuing education within 3 years. The Board considered increasing this amount for all SLPs or requiring SLP-Supervisors to attend supervisor specific training. In addition, the Board considered requiring SLP-Assistants to attend minimum amount of continuing education. SLP-Assistants do not currently have a continuing education requirement, but are required to participate in continuing competence training, per 21 NCAC 64 .1005.

After weighing these options, the Board selected the proposed approach as a balance between improving supervision and client protection while allowing flexibility for licensees to structure supervision within their practice settings. The proposed approach establishes a clear, enforceable minimum standard for supervision and aligns broadly with regional norms and existing practice for many licensees.

12. Substantial Economic Impact and Net Present Value Analysis

Under N.C. Gen. Stat. § 150B-21.4(b1), "substantial economic impact" means an aggregate financial impact (*costs plus benefits*) of at least \$1,000,000 in a five-year period on all persons affected by the rule. The analysis therefore considers both estimated costs and potential benefits, recognizing that some impacts are inherently qualitative or uncertain.

The rule may generate two main costs: supervision time for the subset of 541 SLP-Assistants currently supervised below the proposed minimum (Section 5), and administrative time for target behavior reviews, Form D competency evaluations, and 30-day documentation review (Section 6).

Using the focused scenario where 2% of assistants (≈ 11 individuals) increase from 20% to 100% supervision, the incremental supervision cost is \$56,500/year. The upper-bound administrative cost across all 541 assistants is \$1,628,000/year. However, since all of the incremental increase in administrative time may be applied to supervision time as indirect

supervision, there is an overlap in half of the supervision, or \$28,250. Therefore, the total conservative annual cost of \$1,656,250 (\approx \$8.2M undiscounted over 5 years). This high-end figure is intentionally conservative because it assumes maximum administrative burden across all assistants (many SLPs likely already do this work), all administrative time displaces billable services (much can fit within required indirect supervision), and Medicaid rates apply universally (\$134/hour; private insurance rates are typically higher).

To provide perspective on costs over time, the Board calculated net present value (NPV) over five years, beginning in 2027 using a 7% discount rate:

- Low-end scenario: half the 2% supervision increase + half the admin burden = \$856,375/year
NPV \approx \$3.46 million
- High-end scenario: half the 2% supervision increase + full admin burden = \$1,628,000/year
NPV \approx \$6.96 million

The Board expects actual costs to fall toward the low end. Complaint data suggest only a small subset of assistants receive meaningfully inadequate supervision, most SLPs already perform comparable administrative tasks as good practice, and much of the required documentation can be completed during the indirect supervision hours already mandated by the rule.

Benefits include reduced supervision-related complaints (2025: 9 complaints costing \$32,400), avoided client harm, improved service quality, and lower employer risk. These cannot be precisely quantified but have both economic and non-economic value.

Low-end costs yield a 5-year NPV of \approx \$3.46M; high-end costs yield \approx \$6.96M. When combined with unquantified benefits, it is likely that total costs and benefits exceed \$1M over five years. However, given realistic expectations that most SLPs are already near compliance and administrative burdens are overstated, the Board characterizes likely substantial economic impact as "likely but uncertain."

13. Summary

The proposed amendments to 21 NCAC 64 .1003 clarifies and codifies the Board's expectations for SLP supervision of SLP-Assistants, including minimum supervision hours, periodic target behavior review, standardized competency evaluation, and regular documentation review. These changes are designed to enhance client protection, align North Carolina's standards with regional norms, and provide greater transparency and consistency in supervision practices across employment settings.

Most SLPs are expected to be at or near the proposed supervision standard already, so the incremental costs will primarily affect a relatively small subset of licensees currently providing substantially less supervision. Administrative and documentation-related impacts

are expected to be modest and can often be incorporated into the required indirect supervision time.

The Board anticipates that the rule will support better supervision, reduce supervision-related complaints and enforcement costs over time, and improve client outcomes. Given current data and the sensitivity analyses above, it is possible but unknown whether aggregate costs and benefits will exceed \$1,000,000 over five years.

The Board anticipates that the rule will support better supervision, reduce supervision-related complaints and enforcement costs over time, and improve client outcomes. This analysis uses the current population of 541 SLP-Assistants as its baseline, but the Board's licensee population has grown steadily with an overall increase in SLP-Assistants of 27.4% from 2021-2025 and is expected to continue growing at 5.5%-6% annually as North Carolina's population and demand for speech-language services expand. Over the five-year analysis period, the affected population could reach 600-700 assistants, proportionally increasing both costs and benefits across all sectors. Given this growth trajectory, combined with low-end costs yielding a 5-year NPV of \approx \$3.46M, high-end costs yielding \approx \$6.96M, and unquantified benefits from improved client outcomes and reduced complaints, it becomes more plausible that aggregate costs and benefits will exceed \$1M over five years. The Board therefore characterizes potential substantial economic impact as "possible but increasingly likely" as the licensee population grows.