



**DEFENSE HEALTH AGENCY**  
7700 ARLINGTON BOULEVARD, SUITE 5101  
FALLS CHURCH, VIRGINIA 22042-5101

MEMORANDUM FOR: SEE DISTRIBUTION LIST

SUBJECT: Use of Appropriated Funds to Reimburse State Licensure Fees

- References:
- (a) Defense Health Agency (DHA) Procedures Manual 6025.13, "Clinical Quality Management in the Military Health System, Volume 4: Credentialing and Privileging," August 29, 2019
  - (b) Secretary of Defense Memorandum, "Ensuring Access to Reproductive Health Care," October 22, 2022
  - (c) Secretary of Defense Memorandum, "Payment of Professional Credentialing Expenses for Military Members," July 16, 2009
  - (d) Section 2015 of Title 10, United States Code (U.S.C.) - Program to Assist Members in Obtaining Professional Credentials
  - (e) Section 1096 of Title 10 U.S.C. - Military-Civilian Health Services Partnership Program
  - (f) Section 5757 of Title 5 U.S.C. - Payment of Expenses to Obtain Professional Credentials
  - (g) Department of Defense (DoD) Instruction 1400.25, Volume 410, "DoD Civilian Personnel Management System: Training, Education, and Professional Development," September 25, 2013
  - (h) DHA Memorandum, "Use of Appropriated Funds to Reimburse State Licensure Fees," February 13, 2023. (hereby canceled)

This memorandum clarifies that delegation of reimbursement authority to the MTF Directors is not authorized and cancels reference (h).

Reference (a) requires that all licenses held by a provider must be in good standing. There may be a risk to license status for DoD health care providers who, in the course of their official duties, deliver health care that is consistent with federal law and within the standard of care but may be inconsistent with state law or regulation in a manner that could subject the health care provider to civil or criminal liability and/or an adverse licensing action. As one example, and identified in Reference (b), certain procedures and treatments consistent with federal law and DoD policy in the delivery of reproductive health care may be restricted by state law. In order to mitigate the potential risk of an adverse state licensing action, the provider may obtain a license in another state without similar restrictions.

Per Reference (a), appropriated funds may only be used in specified circumstances to reimburse a provider for a license. This memorandum serves to clarify Reference (a) and include additional circumstances where appropriated funds may be used to reimburse fees for obtaining and maintaining an additional license to support the performance of official duties. To qualify, the provider must have otherwise obtained and maintained their previous license(s) in good standing according to state licensing standards and Reference (a).

Per Reference (d), reimbursement for an initial license required as a prerequisite for appointment in the Armed Forces is not authorized. Per Reference (f), reimbursement for an initial license that is required as a prerequisite for employment for civilian employees is not authorized. Reimbursement for licensure for contractor personnel is not authorized.

In addition to the circumstances listed in Reference (a), Enclosure 2, paragraph 5a(2)(c), and consistent with References (c)- (g), appropriated funds may be used to reimburse for licensing fees if a DoD civilian employee or military health care provider's current state(s) of licensure may subject the individual to criminal or civil penalties and/or adverse licensing actions due to the state's laws and regulations restricting the provider's federally authorized duty. In order to qualify, the provider must be solely licensed in a state(s) with the aforementioned restrictions and not currently have licenses in other states which are free of similar restrictions. Fees for qualified providers will be reimbursed for obtaining a single additional license in a state without similar restrictions.

Appropriated funds may also be used to reimburse a volunteer health care provider for obtaining a license for this purpose if the individual already possesses a current, valid, active, unrestricted license in any jurisdiction, similar to federal civilian employees. The intent is for reimbursement to occur for volunteer health care providers who make a substantial contribution to clinical care as determined by the military Medical Treatment Facility Director.

After obtaining an additional license in another jurisdiction, if a provider maintains a license in the state that restricts practice and does not voluntarily relinquish the license in accordance with state licensing board requirements, the license may still be subject to sanctions. If the license is placed in inactive status and not relinquished, it may likewise still be subject to sanctions or other state action.

Reference (e) limits reimbursement to \$500 for military-civilian partnerships such as training and external resource sharing agreements in civilian organizations that do not recognize licensure portability. However, the \$500 reimbursement limit does not apply for reimbursement in the additional circumstance in which a provider's current state(s) of licensure may subject the individual to criminal or civil penalties as authorized in this memorandum. The provider is responsible for maintaining the new license in a current, active, valid, and unrestricted status in accordance with Reference (a). Fees for maintaining this new license will not be reimbursed. Approval for all reimbursement requests consistent with this guidance is at the DHA Director level and is not redelegated.

The point of contact for this memorandum is DHA Credentialing and Privileging Program, Clinical Quality Management Branch, Clinical Support Division, Medical Affairs, by e-mail at [dha.ncr.clinic-qual.mbx.dhacredentialsprivileging@mail.mil](mailto:dha.ncr.clinic-qual.mbx.dhacredentialsprivileging@mail.mil).

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Director

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cc: Joint Staff Surgeon  
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