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MEDIA CONTACT

Matt Williams

Institute for Veterans Health & Social Policy

research@ivhsp.org | +1 877 461 8880 | www.ivhsp.org

Institute for Veterans Health & Social Policy (IVHSP) Petitions VA to Close Cross-State Licensure Gap That Severs Mental Health Care for Mobile Veterans

New IVHSP working paper documents how a single regulatory provision blocks community-care therapists from following veterans across state lines — even though Congress extended the same protection to TRICARE providers in two consecutive defense authorization acts.

OCHLOCKNEE, GA — May 18, 2026 — The Institute for Veterans Health & Social Policy (IVHSP) today released a new working paper and announced that, on Tuesday, May 13, it filed a formal Petition for Rulemaking with the U.S. Department of Veterans Affairs and submitted parallel companion letters to the Senate and House Committees on Veterans' Affairs. The package urges both the Department and Congress to close a regulatory gap that the Institute's research identifies as a structural cause of broken mental health care for veterans whose lives require interstate mobility — and recommends a single technical amendment to the Veterans' ACCESS Act (S. 275 / H.R. 740), the bipartisan community-care reform bills currently in conference posture before the two committees.

The petition asks the Secretary to amend 38 C.F.R. § 17.417 — the Department's telehealth licensure regulation — to extend the federal cross-state preemption already enjoyed by VA-employed clinicians to mental health professionals who serve veterans through the Veterans Community Care Program (VCCP). Under the current rule, a VA-employed therapist can follow a veteran across a state line; a community-care therapist treating the same veteran for the same condition cannot.

“A national entitlement requires a national delivery system — one capable of following veterans wherever they live, travel, or seek safety. Congress has already enacted this exact remedy twice for military families served through TRICARE. Veterans served through community care are the only military-connected population still excluded.”

— Matthew A. Williams, MPA, Founder & CEO, IVHSP

The Problem: A Two-Tiered System Built on State Lines

The new IVHSP working paper, *Crossing Lines: Jurisdictional Barriers, Therapeutic Disruption, and the Case for Federal Preemption in Veteran Mental Health Care*, identifies what it terms the “dual-pathway failure loop” — a recurring cycle in which veterans seeking mental health care are bounced between VA direct care and community care without ever successfully establishing or sustaining treatment, sometimes for months at a time.

The paper isolates two structurally distinct failure modes. The first — relocation failure — disrupts an established therapeutic relationship the moment a veteran crosses a state line, because the community-care therapist holds a license only in the original state. The second — continuous mobility failure — is more severe: for long-haul truckers, veterans experiencing homelessness, seasonal workers, full-time RV travelers, and National Guard members with cross-state drill obligations, the referral system cannot establish a legally viable provider relationship at all, because the architecture demands a fixed jurisdiction the veteran’s life cannot supply.

The Department of Veterans Affairs operates 18 regional networks, the substantial majority of which span multiple states. The paper documents that VA itself routinely assigns specialty care across state lines — a Georgia-resident veteran assigned to a VCCP therapist licensed in Georgia, then directed to a Florida VA medical center for specialty care, becomes legally unreachable by that therapist while in Florida. The mobility is generated by VA program design, not by veteran choice.

Congress Has Already Enacted the Remedy — Twice

The petition rests on a record Congress itself has built. Section 581 of the FY2024 National Defense Authorization Act extended cross-state licensure flexibility to Department of Defense–contracted mental health counselors. Section 714 of the FY2025 NDAA extended the same portability to TRICARE network mental health providers — civilian providers serving servicemembers, military retirees, and their families.

Both provisions passed with overwhelming bipartisan support. The FY2025 NDAA conference report passed the House 281–140 and the Senate 85–14. As a result, a military retiree with concurrent VA enrollment and TRICARE for Life coverage can today receive cross-state tele-mental-health continuity from a TRICARE provider — but not from a VCCP provider. The federal government applies opposite preemption rules to the same person’s mental health care depending solely on which federal program pays the bill on a given day.

“Congress has answered the difficult questions,” Williams said. “Whether the remedy is feasible, legally defensible, and fiscally sound — Congress has answered all three in the affirmative. The remaining question is whether VA will extend to veterans served through community care the protection it has already provided to military families served through TRICARE.”

What the Petition Requests

The petition asks the Secretary to initiate notice-and-comment rulemaking under 5 U.S.C. § 553 within 180 days. It includes proposed regulatory text, modeled directly on the structure Congress enacted for TRICARE, that the Department may adopt without further substantive development. The framework conditions preemption on the provider holding a valid state license, operating under a § 1703 or § 1703A contract, and remaining subject to all existing safety, disciplinary, and controlled-substance protections under federal law. Interstate licensure

compacts — PSYPACT, the Counseling Compact, and the Social Work Licensure Compact — would continue to operate as a parallel and independent system.

The companion letters to the Senate and House Veterans’ Affairs Committees ask Congress to consider including the corresponding statutory amendment in the Veterans’ ACCESS Act — S. 275 (Chairman Moran) and H.R. 740 (Chairman Bost) — both reported by their respective committees in 2025 and currently in conference posture. The bills already amend VCCP statutory architecture, codify access standards, expressly address community-care telehealth, and establish a community-care mental health pilot. IVHSP’s position is that the licensure preemption is the technical correction the bill’s mental health provisions require to function for mobile veterans. Pursuing both the regulatory and legislative pathways simultaneously, IVHSP says, ensures that the remedy moves forward through whichever institution acts first.

The petition does not seek expanded reimbursement, new spending authority, or any change to clinical standards. It seeks the removal of one regulatory provision — 38 C.F.R. § 17.417(b)(2)(iii) — that excludes contractors from a preemption framework Congress wrote in terms broad enough to reach them.

Why It Matters Now

In 2023, 6,398 veterans died by suicide. Veterans with recent mental health or substance use diagnoses experienced suicide rates far exceeding those of the general population. The 2024 Point-in-Time count identified 32,882 veterans experiencing homelessness on a single night. The Department of Defense estimates approximately 200,000 service members transition from active duty to civilian life each year — entering the highest-risk period for suicide during precisely the kind of geographic transition the current system cannot accommodate.

“Mental health care is non-fungible,” Williams said. “When the system forces a veteran to start over with a new provider every time a state line is crossed, it is not delivering the benefit Congress promised. It is delivering a degraded version of that benefit to the veterans whose lives least permit them to absorb it.”

Read the Working Paper and Petition

The full working paper, *Crossing Lines: Jurisdictional Barriers, Therapeutic Disruption, and the Case for Federal Preemption in Veteran Mental Health Care*, and the accompanying Petition for Rulemaking are available at www.ivhsp.org or via the Social Science Research Network (SSRN) at <https://ssrn.com/abstract=6744578>. Media inquiries, interview requests, and detailed technical questions may be directed to Matt Williams, author of the working paper and founder & CEO of IVHSP, at research@ivhsp.org or +1 877 461 8880.

About the Institute for Veterans Health & Social Policy

The Institute for Veterans Health & Social Policy (IVHSP) is an independent policy research organization headquartered in Ochlocknee, Georgia, dedicated to identifying and addressing structural barriers within federal systems that impede veterans’ access to entitled health and social services. IVHSP received no external funding for this project.

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