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Senate Bills 26, 27, and 28 (as enacted)
Sponsor: Senator Tony Stamas
Senate Committee: Health Policy
House Committee: Health Policy

PUBLIC ACTS 124, 125, & 126 of 2010

Date Completed: 3-31-11

CONTENT

Senate Bill 26 amended the Public Health Code to do the following:

The bills were tie-barred to each other. They took effect on July 19, 2010.

- **Require supervising physicians who organize a professional service corporation or a professional limited liability company (PLLC) with physician's assistants (PAs) to meet applicable requirements of the Code.**
- **Extend the requirements to physicians supervising PAs who, before the bill took effect, organized a professional service corporation or PLLC that has only PAs as shareholders or members.**
- **Require a PA to disclose on his or her licensure renewal form whether he or she is a shareholder in a professional service corporation or a member in a PLLC that was organized before the bill took effect.**

Senate Bill 26

Under the bill, if one or more individuals licensed under Part 170 (Medicine), 175 (Osteopathic Medicine and Surgery), or 180 (Podiatric Medicine and Surgery) and one or more physician's assistants organize a professional service corporation under the Professional Service Corporation Act or a professional limited liability company under the Michigan Limited Liability Company Act, the supervising physician or physicians of the physician's assistants must be shareholders in the same professional service corporation or members in the same PLLC as the PAs and meet all of the applicable requirements of Parts 170, 175, or 180. In addition, if any physician's assistants, before the bill took effect, organized a professional service corporation or a PLLC that has only PAs as shareholders or members, their supervising physicians must meet the applicable requirements of Part 170, 175, or 180.

Senate Bills 27 and 28 amended the Professional Service Corporation Act and the Michigan Limited Liability Company Act, respectively, to do the following:

- **Include services rendered by a physician's assistant in the definition of "professional service".**
- **Allow physicians to organize a PLLC with other physicians licensed under the Public Health Code.**
- **Allow physicians to organize a professional corporation or a PLLC with PAs.**
- **Prohibit PAs from organizing a professional corporation or PLLC that has only PAs as shareholders.**

The bill requires the Department of Community Health to include on the form used for renewal of licensure a space for a PA to disclose whether he or she is a shareholder in a professional service corporation or a member in a PLLC that was organized before the bill took effect. A PA who is a shareholder or member must disclose all of the following in the renewal form:

- Whether any individuals licensed under Part 170, 175, or 180 are shareholders in the professional service corporation or PLLC.
- The name and license number of the licensed physician who supervises the PA.
- Whether the supervising physician is a shareholder in the same professional service corporation or PLLC as the PA.

FISCAL IMPACT

The bills will have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Pratt

Senate Bills 27 and 28

The Professional Service Corporation Act and the Michigan Limited Liability Company Act define "professional service" as "a type of personal service to the public that requires as a condition precedent to the rendering of the service the obtaining of a license or other legal authorization", and specify the occupations to which the term applies. The bills include services rendered by a physician's assistant in the definition.

The Professional Service Corporation Act previously allowed one or more physicians and surgeons licensed under the Public Health Code to organize a professional corporation with one or more physicians and surgeons licensed under different provisions of the Code. Senate Bill 27 deleted that language, and instead allows individuals licensed under Part 170, 175, or 180 of the Public Health Code to organize a professional corporation with one or more other individuals licensed under that part. Senate Bill 28 added a similar provision to the Michigan Limited Liability Company Act, allowing physicians to organize a professional limited liability company.

The bills allow one or more licensed physicians to organize a professional corporation or a PLLC, as applicable, with one or more licensed PAs, subject to the section of the Public Health Code amended by Senate Bill 26. Effective July 19, 2010, both bills prohibit one or more PAs from organizing a professional corporation or PLLC that has only PAs as shareholders or members.

MCL 333.17048 (S.B. 26)
450.222 & 450.224 (S.B. 27)
450.4902 & 450.4904 (S.B. 28)

Legislative Analyst: Julie Cassidy

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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.