



House  
Legislative  
Analysis  
Section  
Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

## REIMBURSE PHYS. ASSTS

Senate Bill 65 as passed by the Senate  
First Analysis (10-21-93)

Sponsor: Sen. John Pridnia  
Senate Committee: Health Policy  
House Committee: Public Health

### ***THE APPARENT PROBLEM:***

There are many areas in the state, both rural and urban, which face a shortage of health professionals. Though many of these areas can't recruit physicians to practice in their communities, they often can recruit physician's assistants (PAs) to meet some of these communities' primary health care needs. Problems arise, however, when major health insurers -- who reimburse health facilities and physicians for physician services provided by other health care professionals -- won't reimburse for PA services unless a physician is present on the premises. Without insurance reimbursement, PAs cannot practice in some of the most needy areas. In 1991, the legislature enacted an amendment to the Nonprofit Health Care Corporation Act that allowed reimbursement to PAs practicing in certain rural counties (counties with populations of 25,000 or less) without requiring that physicians be on the premises. Additional legislation has been introduced that would expand reimbursement to PAs under certain circumstances.

### ***THE CONTENT OF THE BILL:***

The bill would amend the Nonprofit Health Care Corporation Act (the so-called "Blue Cross and Blue Shield" act) to require reimbursement of physician's assistants' services not only in counties with 25,000 or fewer people, but also in both certified rural health clinics and in health professional shortage areas (both rural and urban), so long as a consulting physician was within 150 miles -- or a three-hour commute -- of where the services were performed.

MCL 550.1401d

### ***FISCAL IMPLICATIONS:***

According to a Department of Public Health analysis dated October 13, 1993, the bill would have no fiscal implications for the state.

### ***ARGUMENTS:***

#### ***For:***

The bill would help meet the needs of medically underserved areas, whether urban or rural, encouraging physician's assistants to practice in these areas by simplifying the reimbursement process. It would increase access to primary health care, allow for earlier intervention in health problems of people in these areas or settings, and increase preventive health services by the estimated 900 physician's assistants in the state. There would be no increase in PA's scope of practice, nor would the bill create a new provider class (since reimbursement would be to the practice and not to the individual PA).

### ***POSITIONS:***

Representatives from the following groups testified in support of the bill on 10-20-93:

The Department of Public Health

The Michigan Academy of Physician Assistants

The National Association of Rural Health Clinics

The Michigan Hospital Association

Blue Cross and Blue Shield of Michigan

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