House
Legislative
Analysis
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RECIPROCITY FOR HEALTH CARE PROFESSIONALS

House Bill 4994 (Substitute H-2)
First Analysis (11-1-01)

Sponsor: Rep. Artina Tinsley Hardman
Committee: Health Policy

THE APPARENT PROBLEM:

A spring 2001 hospital survey conducted by the American Hospital Association indicated that of the 168,000 positions open in hospitals, 126,000 are for registered professional nurses (RNs). The fact that 75 percent of the hospital personnel vacancies are for nurses may not surprise those who have been following the nursing shortage through the state and nation for years. In response to the state shortage, where needs in southeastern Michigan appear to be especially acute, the legislature enacted Public Act 256 of 2000. The act allows the state board of nursing to grant a nonrenewable temporary license to practice as an RN to an individual licensed as an RN in Canada, under certain conditions. Canadian nurse education programs are widely regarded as equivalent to programs in the United States, and the act allows Canadian RNs to work in the state while they complete their licensure requirements.

The Department of Consumer and Industry Services' July 2001 "Study of the Current and Future Needs of the Professional Nursing Workforce in Michigan" paints a fairly bleak picture, by opening with the suggestion that "the current supply of nurses is not meeting the demand and need for nurses in Michigan and the situation is going to get worse." According to committee testimony, the shortage of RNs continues even after the passage of Public Act 256, which hospitals report genuinely helped address the problem but has not solved it. Although there is a procedure allowing a nurse trained and licensed in another country to apply for licensure in this country, candidates naturally gravitate to states that present the fewest administrative "hoops" and "hurdles." Some people argue that Michigan is not one of the more attractive states when judged by this criterion. Foreign applicants who receive a temporary license must pass the Commission on Graduates of Foreign Nursing Schools (CGFNS) test to qualify to take the National Council Licensure Examination (NCLEX) required for licensing. The CGFNS test is offered only three times per year and reputedly has a very high failure rate; a temporary licensee in Michigan who takes and fails the exam loses his or her temporary license immediately. These obstacles lead well-qualified Canadian nurses to avoid the hassles altogether, by seeking licensure in other states that extend reciprocity to them. Michigan's hospitals find themselves at a marked competitive disadvantage when trying to recruit Canadian nurses.

The remaining 25 percent of open positions—totaling 32,000—in American hospitals reflects hospitals' difficulty recruiting and retaining other medical professionals and personnel, including radiologists and radiology technicians, pharmacists, laboratory technicians, and physical therapists, among others. The AHA's survey indicated that hospital vacancy rates were 21 percent for pharmacists; 18 percent for radiological technologists; 12 percent for laboratory technologists; and 11 percent for nurses. According to committee testimony, Michigan has a dearth of pharmacists and radiologists, in particular. Some people believe that medical professionals trained in Canada or the United States and licensed in Canada ought to be eligible for licensure by reciprocity, in the same way that individuals licensed in other states are. (Of the medical personnel shortage areas identified, radiology technicians and laboratory technicians are not licensed by the state, but radiologists, as well as all MDs and DOs, pharmacists, and physical therapists are licensed.)

THE CONTENT OF THE BILL:

Article 15 of the Public Health Code covers the licensure and regulation of health care professionals. Among other things, the code extends reciprocity to individuals who are licensed to practice a health profession in another state, who are registered in another state, or who hold specialty certification from another state, and who apply for licensure, registration or specialty certification in Michigan. The applicant must satisfy the relevant professional board or task force—e.g., the board of nursing or board of pharmacy—that he or she substantially

meets the article's requirements and complies with rules promulgated by the board or task force. The applicant must also satisfy the board or task force that the other state maintains standards substantially equivalent to Michigan's standards. Prior to licensing, registering, or certifying the applicant, the board or task force may require the applicant to appear for a personal interview to evaluate his or her relevant qualifications.

House Bill 4994 would amend the Public Health Code (MCL 333.16186) to extend reciprocity to applicants who were licensed to practice a health profession in a province of Canada, until January 1, 2004. In addition to meeting the requirements that an applicant from another state must meet, an applicant licensed in Canada would have to satisfy the board or task force that he or she completed the educational requirements for licensure in either Canada or the U.S. Moreover, the applicant would have to satisfy the board that he or she would perform the professional services for which he or she billed in the state and that any resulting request for third party reimbursement would originate from the applicant's place of employment in the state.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would reduce state revenues (due to waiving exam requirements) and state costs (for exam administration and review) by an indeterminate amount. (10-31-01)

ARGUMENTS:

For:

There is a real shortage in medical professionals at both the state and national levels. If the problem were just a problem at the state level, then perhaps it would make sense to focus efforts on recruiting individuals from other states or identifying what Michigan was doing wrong. However, other states are also suffering a shortage of medical professionals, and they look to medical professionals licensed in Canada and elsewhere to help fill their vacancies. Canadian-trained medical professionals are highly qualified, and Canadian licensing requirements are sufficiently stringent that it makes sense to focus recruitment efforts there. In order to compete with these other states in procuring such precious human resources, Michigan needs a more streamlined licensing process, one that will allow a Canadian-licensed and Canadian- or U.S.-trained medical professional to seek endorsement immediately and directly through the relevant professional board or task force. The bill is clearly not a panacea, since it does not address the question of why a national and state shortage of medical personnel exists. Nevertheless, it is an interim approach to a problem that needs to be studied in much greater depth before a practicable long-term solution can be developed. The bill acknowledges the need to revisit the issue by October 1, 2004, which is the "sunset date" for the act that allows Canadian-licensed RNs to apply for a temporary license.

Response:

While the bill provides an acceptable interim approach to shortages in certain health care professions, it is not clear why doctors of allopathic (MDs), osteopathic medicine (DOs), and dentists are included. There are many foreign-trained MDs and DOs working throughout the state, and there are standard procedures that all such doctors—whether trained in Canada or another foreign country—must follow in order to be licensed in this state. It is crucial that MDs and DOs be acknowledged as a unique class of health care professionals since they alone have the ability to diagnose and treat patients. Further, according to a representative of the Michigan Dental Association, there is no dental school in Canada that is accredited by the United States. The state should tightly control who gets licensed to provide these services. Moreover, despite the attention on shortages of nurses and certain medical personnel who are not licensed by the state—e.g., radiologist technicians and laboratory technicians—it is not clear that there is a shortage of MDs, DOs, or dentists.

In general, the bill's focus on health professionals licensed in Canada is puzzling because it draws a distinction between foreign countries. Canadian-licensed health care professionals should have to follow the same procedures as health care professionals licensed in other countries must *currently* follow. Others wonder why a medical professional who was licensed in another country, and who was able to satisfy the relevant board or task force of the adequacy of his or her training and his or her country's licensure requirements, should not be able to apply for licensure by reciprocity.

Reply:

The Department of Consumer and Industry Services, which is responsible for licensing medical professionals, currently does not extend endorsement to Canadian-trained doctors who have passed the Canadian equivalent of the United States Medical Licensing Examination (USMLE). However, CIS does extend endorsement to Canadian-trained doctors who have passed the Canadian equivalent of the USMLE, received endorsement by another state, and then come to work in Michigan. This is a "needless hoop" for which there is no justification. The bill's

focus on Canadian-licensed applicants who were trained in Canada or the U.S. reflects Canada's proximity to Michigan and the consistently high quality of medical professionals trained and licensed in Canada.

For:

According to a representative of the Michigan Chiropractic Society, chiropractic is a slowly budding portion of the health care profession in Michigan. Apparently, the field has progressed much further in Canada than it has in the state. Still, a chiropractor trained in Michigan, who went to Canada to get licensed and to practice in order to take advantage of the relatively well developed field of chiropractic, would have to take the licensing exam in Michigan before he or she could practice in the state. Although there is not necessarily a shortage of chiropractors in the state relative to current demand, chiropractors would welcome practitioners with training and or experience in Canada. (Conceptually, this argument could be expanded to any field of health care that was developing in unique ways, or at an accelerated rate, in Canada.)

POSITIONS:

The Department of Consumer and Industry Services supports the bill. (10-31-01)

The Michigan Health and Hospital Association supports the bill. (10-31-01)

The Michigan Pharmacist Association supports the bill. (10-31-01)

The Michigan Chiropractic Society supports the bill. (10-31-01)

The William Beaumont Hospital supports the bill. (10-31-01)

A representative from the Michigan Organization of Nurse Executives testified in support of the bill. (10-30-01)

The Michigan Dental Association opposes the bill. (11-1-01)

Analyst: J. Caver

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.