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Senate Bills 26, 27, and 28 (as introduced 1-27-09)
Sponsor: Senator Tony Stamas
Committee: Health Policy

Date Completed: 3-3-10

CONTENT

Senate Bill 26 would amend the Public Health Code to do the following:

- **Require supervising physicians who organized a professional service corporation or a professional limited liability company (PLLC) with physician's assistants to meet applicable requirements of the Code.**
- **Extend the requirements to physicians supervising physician's assistants who, before May 1, 2008, organized a professional service corporation or a PLLC that had only physician's assistants as shareholders.**

Senate Bills 27 and 28 would amend 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 other different provisions of the Public Health Code.**
- **Allow physicians to organize a professional corporation or a PLLC with physician's assistants.**
- **Prohibit physician's assistants from organizing a professional corporation that would have only physician's assistants as shareholders.**

The bills are tie-barred to each other. They are described below in further detail.

Senate Bill 26

Under the bill, if one or more physicians and one or more physician's assistants organized 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 would have to meet all of the applicable requirements of Part 170 (Medicine), 175 (Osteopathic Medicine and Surgery), or 180 (Podiatric Medicine and Surgery). In addition, if any physician's assistants, before May 1, 2008, had organized a professional service corporation or a PLLC that had only physician's assistants as shareholders, their supervising physicians would have to meet the same requirements.

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 would include services rendered by a physician's assistant in the definition.

The Professional Service Corporation Act allows 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 would delete the reference to surgeons. Senate Bill 28 would add a similar provision to the Michigan Limited Liability Company Act, allowing physicians to organize a professional limited liability company.

The bills would allow one or more physicians to organize a professional corporation or a PLLC, as applicable, with one or more licensed physician's assistants. Effective May 1, 2008, both bills would prohibit one or more physician's assistants from organizing a professional corporation that would have only physician's assistants as shareholders.

Under the bills, "physician" would mean an individual licensed to engage in the practice of medicine, the practice of osteopathic medicine and surgery, or the practice of podiatric medicine and surgery under Article 15 (Occupations) of the Public Health Code.

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

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Pratt
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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.