

LICENSURE COMPACT FOR PHYSICIAN'S ASSISTANTS

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House Bill 4309 (H-1) as reported from committee

Sponsor: Rep. Dave Prestin

1st Committee: Health Policy

2nd Committee: Rules

Complete to 5-13-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4309 would amend the Public Health Code to enter Michigan into the PA (Physician Assistant) Licensure Compact, which provides procedures to allow physician's assistants to practice in states that have joined the compact without having to be licensed in each individual state.¹ A compact is like a contract between states that they enter into by enacting its provisions as law.² Under the bill, a compact privilege obtained through the compact would be equivalent to licensure in Michigan as a physician's assistant. The PA Licensure Compact, included in full in the bill, is briefly described below.

Section 1. Purpose

The compact states that its purpose is to enhance license portability and increase access to medical services. Under the compact, practice as a physician's assistant is considered to occur in the state where the patient is located at the time services are provided.

Section 2. Definitions

This section defines 22 terms used in the compact. Notably, *compact privilege* means the authorization (equivalent to a license) granted by a state to allow a licensee from another participating state to practice as a physician's assistant in the *remote state* under its laws and rules.

Section 3. Participation in the compact

To participate in the compact, a state must do all of the following:

- Comply with the rules of the PA Licensure Compact Commission.
- Use a recognized national examination in licensing physician's assistants.
- Participate in the commission's data system (described below).
- Have a mechanism in place for receiving and investigating complaints about licensees and applicants.
- Notify the commission of any adverse action or the availability of significant investigative information regarding a licensee or applicant.
- Fully implement a criminal background check requirement, within a time frame established by commission rule.
- Report to the commission whether an applicant is granted a license.

A participating state must grant a compact privilege to an individual who holds a physician's assistant license in another participating state and may charge a fee for granting it.

¹ <https://www.pacompact.org/>

² <https://compacts.csg.org/faq/>

Section 4. Compact privilege

To exercise the compact privilege under the compact, a licensee must do all of the following:

- Hold a physician's assistant license in a participating state.
- Hold current certification from the National Commission on Certification of Physician Assistants (NCCPA).³
- Have graduated from a physician's assistant program accredited by the Accreditation Review Commission on Education for the Physician Assistant, Inc.⁴ or other programs authorized by commission rule.
- Have had no revocation of a license or limitation or restriction on any license currently held due to an adverse action. (If a licensee has had a limitation or restriction on a license or compact privilege due to an adverse action, two years must have elapsed from the date the license or compact privilege is no longer so limited or restricted.)
- Have no felony or misdemeanor conviction.
- Have never had a controlled substance license, permit, or registration suspended or revoked by a state or the U.S. Drug Enforcement Administration.
- Notify the commission that they are seeking the compact privilege in a remote state.
- Pay any applicable fees.
- Meet any jurisprudence requirements established by the remote state where they are seeking a compact privilege.
- Have a unique identifier as determined by commission rule.
- Report to the commission any adverse action taken by a non-participating state within 30 days after that action.

A compact privilege is valid until the expiration date of the home license. To maintain the compact privilege, a licensee must comply with the above requirements.

If a compact privilege has been revoked or is limited or restricted in a participating state for conduct that would not be a basis for disciplinary action in a participating state where the licensee is practicing or applying to practice under a compact privilege, that participating state has the discretion to not consider the action an adverse action requiring the denial or removal of a compact privilege in that state.

If the applicable state takes adverse action against a home license, the licensee must lose the compact privilege in any remote state where they have a compact privilege until two years have elapsed from the date the license is no longer limited or restricted due to the adverse action.

Section 5. Licensee residence

A licensee applying for a compact privilege must let the commission know which state they are applying from, provide their primary residential address, and consent to accept service of process by mail at that address with respect to any investigation or action by the commission or a participating state. A licensee must notify the commission of address changes.

Section 6. Adverse action

Under the compact, the participating state where a licensee is licensed has exclusive power to impose **adverse action** against that license. (**Adverse action** means any administrative, civil,

³ <https://www.nccpa.net/>

⁴ <https://www.arc-pa.org/>

equitable, or criminal action imposed on a license, application, or compact privilege, such as denial, censure, revocation, suspension, probation, monitoring, or practice restrictions.) The participating state may also take adverse action based on information from a remote state, if appropriate, using its own procedures. A remote state may take adverse action against a licensee's compact privilege there and may issue subpoenas for hearings and investigations. A participating state must enforce subpoenas issued by another participating state. States cannot impose adverse action for conduct that is lawful in the jurisdiction where it occurs.

Participating states may engage in joint investigations of a licensee and must share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation under the compact.

Section 7. PA Licensure Compact Commission

The compact creates a commission that consists of one delegate from each participating state. Each delegate must be an administrator, or a current physician's assistant, physician, or public member, of a licensing board. The commission must meet at least annually. Among other listed responsibilities, the commission must establish bylaws, rules, and fees; elect officers; appoint committees; hire employees or contractors; maintain financial records; exchange information with law enforcement; make an annual report; and take other actions consistent with the compact and its bylaws.

A nine-member executive committee, consisting of seven commission members, a member from a national physician's assistant professional association, and a member from a national physician's assistant certification association, can act on behalf of the commission.

All commission meetings must be open to the public, with public notice. However, the commission or executive committee may have closed, nonpublic meetings to discuss noncompliance of a participating state; employment, compensation, or discipline related to specific employees; current or prospective litigation; or other specified topics.

The commission can levy an annual assessment on each participating state and impose fees on licensees for a compact privilege to cover the cost of its operations and activities. The commission must keep accurate accounts of all receipts and disbursements, which are subject to an annual review.

Finally, the compact specifies the individual and collective liability of commission members.

Section 8. Data system

The commission must provide for the development, maintenance, and use of a coordinated database and reporting system that contains licensure, adverse action, and investigative information on all licensees (and denied applicants) in participating states. Participating states must submit the identifying information, licensure data, adverse actions taken, and other information regarding all licensees. States can flag information that is not to be publicly shared.

Section 9. Rulemaking

Commission rules have the force of law in each participating state. Rules or amendments to rules must be adopted by majority vote at regular or special meetings, with notice given at least 30 days before the rule is considered. If a majority of the legislatures of the participating states

reject a rule (by passing a law or resolution in the same manner used to adopt the compact) within four years of the rule's adoption, the rule has no further force and effect.

Section 10. Oversight, dispute resolution, and enforcement

State officials must enforce the compact and take necessary actions to effectuate its purposes and intent. If the commission determines that a participating state has defaulted in the performance of its obligations or responsibilities under the compact, it must provide notice of the default and any actions to be taken to all participating states. A defaulting state may be terminated from the compact as a last resort upon a majority vote of the participating states. The defaulting state may appeal that action by petitioning the U.S. District Court for Washington, D.C., or the applicable federal district. The commission also must issue a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

Section 11. Implementation date, withdrawal, and amendment

The compact takes effect once it is enacted into law in the seventh participating state. (This happened in May 2024.) Any state that joins the compact subsequently is subject to the rules as they exist on the date the compact becomes law in that state.

A participating state may withdraw from the compact by enacting a statute to repeal it, with the withdrawal taking effect 180 days after the repeal is enacted.

The compact can be amended by the participating states, but no amendment to the compact is effective and binding on any participating state until enacted into the laws of all participating states.

Section 12. Construction and severability

The compact and the commission's rulemaking authority under it must be liberally construed to effectuate its purposes. The compact's provisions are severable, and if any part of it is held invalid, the applicability of the rest of it is not affected. The commission can deny or terminate a state's participation if it determines that the state's constitution requires a material departure from the compact.

Section 13. Binding effect of compact

If a law in a participating state conflicts with the compact, the compact supersedes the law to the extent of the conflict. Agreements between participating states and the commission are binding in accordance with their terms.

MCL 333.18001 and proposed MCL 333.16188 et seq.

The bill would take effect 90 days after it is enacted.

BACKGROUND:

As of April 2025, 16 states have either become participating states in the PA Licensure Compact or have enacted legislation to do so.⁵

⁵ <https://www.pacompact.org/#compact>

Michigan is currently a member of one other interstate health licensure portability compact, the Psychology Interjurisdictional Compact.⁶

In 2019, Michigan joined the Interstate Medical Licensure Compact (which applies to doctors), but the provisions implementing the state's membership were repealed on March 28, 2025.⁷ According to the compact's website, Michigan has begun its withdrawal from membership, a process that takes 12 months.⁸ Michigan will continue participating under the compact until the withdrawal is complete.⁹ In addition, doctors licensed in other states or in Canada can receive a licensure by endorsement to practice in Michigan under the state's reciprocity process outlined in the rules for doctors of medicine and of osteopathic medicine.¹⁰

Other recently proposed health licensure portability compacts include the Nurse Licensure Compact,¹¹ the Occupational Therapy Licensure Compact,¹² and the Physical Therapy Licensure Compact.¹³

BRIEF DISCUSSION:

Supporters argue that allowing physician's assistants to work more easily in multiple states (or simply a state other than the one they live in) could help to generally improve patient access to medical services, relieve health care staffing shortages (which have been especially acute since the COVID-19 pandemic), promote public protection in the form of shared background checks and disciplinary information, facilitate flexibility in light of the increasing use of telehealth services, streamline regulations, and allow for greater mobility for these health professionals (including, for example, the spouses of military service members). The added flexibility afforded by licensure compacts is often especially welcome in communities near state borders, when health facilities are no longer limited to working with health care professionals from only one side of the border. No testimony opposing the bill was presented in House committee.

FISCAL IMPACT:

House Bill 4309 could have a significant fiscal impact on the Department of Licensing and Regulatory Affairs (LARA), although a precise estimate of the magnitude of the impact is currently unavailable. Under the bill, LARA would incur costs for investigating complaints against licensees and for the general administration and implementation of the compact's requirements. Such costs would include any incurred expenses for integrating Michigan's current licensing system with the compact commission's data system, which LARA estimates would require \$100,000. The PA Licensure Compact Commission could also levy an annual assessment on Michigan to cover the costs of the commission's activities and operations. The state would also face liabilities if it defaulted on the compact. The magnitude of the costs is

⁶ <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-333-16190>

⁷ See <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4032> and <https://www.house.mi.gov/Document/?DocumentId=42808&DocumentType=CommitteeTestimony>

⁸ <https://imlcc.com/>

⁹ <https://www.michigan.gov/lara/bureau-list/bpl/health/hp-lic-health-prof/medical>

¹⁰ Respectively, R 338.2427 and R 338.125 of the Michigan Administrative Code.

¹¹ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4246>

¹² <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4103>

¹³ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4101>

presently unknown, as the costs would be dependent on several factors, including the volume of compact licensees that practice within Michigan.

The bill would allow LARA to recover costs related to investigations and dispositions of adverse action cases. LARA has indicated that additional legislation would be required to allow the department to collect fees from compact privilege holders and to sanction compact privilege holders. It is unclear how revenues under the bill would compare to the costs that LARA and the state would incur.

Furthermore, LARA indicated that traditional licensure revenues in the state would likely decline, as out-of-state licensees would be able to practice via the compact, instead of securing licensure through the state.

POSITIONS:

Representatives of the following entities testified in support of the bill (4-16-25):

- Michigan Academy of Physician Associates
- Defense State Liaison Office
- Marshfield Dickenson Hospital
- National Center for Interstate Compacts

The following entities indicated support for the bill:

- Michigan Association of Health Plans (4-16-25)
- Michigan Health and Hospital Association (4-16-25)
- Mackinac Center (4-16-25)
- United States Department of Defense (4-23-25)
- American Association of Retired Persons (4-23-25)
- Michigan Osteopathic Association (4-23-25)

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