

- SUBJECT:** Authorizing physicians and physician assistants to form certain entities
- COMMITTEE:** Business and Industry — favorable, without amendment
- VOTE:** 6 ayes — Deshotel, Bohac, Giddings, Quintanilla, Solomons, Workman
0 nays
1 present not voting — Orr
2 absent — Garza, S. Miller
- WITNESSES:** For — Trisha Harris-Odingbe, Texas Academy of Physician Assistants;
(*Registered, but did not testify*: Dan Finch, Texas Medical Association;
Lisa Jackson, Texas Academy of Physician Assistants; Stacy Wilson,
Central Health and CommUnity Care

Against — None

On — Mari Robinson, Texas Medical Board
- BACKGROUND:** Physician assistants (PAs) are licensed health care professionals authorized to practice medicine with physician supervision. PAs provide a broad range of diagnostic and therapeutic services, such as physical exams, treating illnesses, ordering and interpreting lab tests, patient education, surgical assistance, and prescribing medicine.
- DIGEST:** HB 2098 would authorize physicians and PAs to form corporations to conduct research; support medical education through grants or scholarships; develop PA education, teaching, and continuing education; and deliver health care and health education to the general public.

The bill would specify that the authority and regulation of each of the practitioners would be limited to their scope of practice and respective licensing boards. The corporations would have to be controlled by a physician, and a PA or group of PAs could have only a minority ownership interest.

Physicians and PAs also would be allowed to form partnerships, professional associations, and professional limited liability companies.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2011.

**SUPPORTERS
SAY:**

By authorizing the formation of physician-PA corporations, HB 2098 would help improve access to health care, especially in medically underserved or rural areas where there are few health professionals. PAs allow physicians to treat more patients. Offering PAs an opportunity to become a partner in a PA-physician corporation would help incentivize PAs to join a practice. These corporations also would help retain PAs who aspire to or achieve part ownership.

Currently, dentists, podiatrists, and optometrists can form and co-own corporations for the purpose of providing health care services. Physicians and PAs also should be able to form corporations. More than 20 states allow physicians and PAs to form a joint corporation.

The bill prudently specifies that the practice authorities of the PAs and physicians would not change, and by making PAs minority partners, would assure that a PA would not be in a position to interfere with the physician's exercise of medical judgment and ultimate authority in the practice of medicine. The bill would provide consistency by including provisions related to scope of practice in the amendments to the Business Organizations Code. Bills passed recently by the House related to hospital employment of physicians contained similar protections.

**OPPONENTS
SAY:**

There is no need to limit PAs to minority ownership, which could limit the availability of these corporations or their effectiveness at recruiting and retaining PAs. Not all states impose such restrictions, and no harm has befallen consumers or the practice of medicine. Texas has other laws in place to limit PAs' scope of practice, require physician supervision and prevent PAs from interfering with the physician's exercise of medical judgment.

NOTES:

The author plans to offer a floor substitute to add restrictions that would specify a PA could not be an officer of the corporation and could not employ a physician, and the ownership interest of any PA could not equal

or exceed the ownership interest of any individual physician owner. It also would add annual reporting requirements by the owner practitioners to their respective licensing boards and authorize the boards to assess a report processing fee.