

## **BILL ANALYSIS**

Senate Research Center  
82R8579 SLB-F

S.B. 961  
By: Uresti  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Physician/Physician Assistant (PA) practice model provides positive benefits to patients, the community, physicians, and PAs. Historically, PAs have answered the call to serve rural and underserved areas in greater percentages than any other provider.

S.B. 961 recognizes a PA's contributions to health care and allows a PA to be a minority partner with a physician in a practice group.

Currently, Medicare policy allows a PA to have up to a 99 percent ownership interest in an approved corporate entity that is eligible to bill the Medicare program, if the formation of the business entity is consistent with state law.

S.B. 961 amends the Business Organizations Code governing a corporation and a partnership to authorize physicians licensed by the Texas Medical Board (TMB) and PAs licensed by the Texas Physician Assistant Board to organize an entity that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within their scope of practice.

S.B. 961 provides that when physicians and PAs form such a jointly owned entity, the authority of each of the practitioners is limited by their respective scope of practice. The organizers of the entity shall ensure that a physician controls and manages the aspects of the entity relating to the practice of medicine.

S.B.961 also states that a PA or combination of PAs may have only a minority interest in an entity.

As proposed, S.B. 961 amends current law relating to the authority of physicians and physician assistants to form certain entities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 22, Business Organizations, by adding Section 22.0561, as follows:

Sec. 22.0561. CORPORATIONS FORMED BY PHYSICIANS AND PHYSICIAN ASSISTANTS. (a) Authorizes physicians licensed under Subtitle C (Other Professions Performing Medical Procedures), Title 3, Occupations Code, and physician assistants licensed under Chapter 204 (Physician Assistants), Occupations Code, to form a corporation to perform a professional service that falls within the scope of practice of those practitioners and consists of:

(1) carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field;

- (2) supporting medical education in medical schools through grants or scholarships;
- (3) developing the capabilities of individuals or institutions studying, teaching, or practicing medicine or acting as a physician assistant;
- (4) delivering health care to the public; or
- (5) instructing the public regarding medical science, public health, hygiene, or a related matter.

(b) Provides that when physicians and physician assistants form a corporation, the authority of each of the practitioners is limited by the scope of practice of the respective practitioners. Requires that the organizers of the entity ensure that a physician or physicians control and manage the aspects of the entity relating to the practice of medicine. Provides that the Texas Medical Board (TMB) and the Texas Physician Assistant Board (PAB) continue to exercise regulatory authority over their respective license holders according to applicable law.

(c) Provides that nothing in this section may be construed to allow the practice of medicine by someone not licensed as a physician under Subtitle B (Physicians), Title 3, Occupations Code, or to allow a person not licensed as a physician to direct the activities of a physician in the practice of medicine.

(d) Authorizes a physician assistant or a combination of physician assistants to have only a minority ownership interest in an entity created under this section.

SECTION 2. Amends Subchapter B, Chapter 152, Business Organizations Code, by adding Section 152.0551, as follows:

Sec. 152.0551. PARTNERSHIPS FORMED BY PHYSICIANS AND PHYSICIAN ASSISTANTS. (a) Authorizes physicians licensed under Subtitle B, Title 3, Occupations Code, and physician assistants licensed under Chapter 204, Occupations Code, to create a partnership to perform a professional service that falls within the scope of practice of those practitioners.

(b) Provides that when physicians and physician assistants create a partnership, the authority of each of the practitioners is limited by the scope of practice of the respective practitioners. Requires that the organizers of the entity ensure that a physician or physicians control and manage the aspects of the entity relating to the practice of medicine.

(c) Provides that nothing in this section may be construed to allow the practice of medicine by someone not licensed as a physician under Subtitle B, Title 3, Occupations Code, or to allow a person not licensed as a physician to direct the activities of a physician in the practice of medicine.

(d) Authorizes a physician assistant or combination of physician assistants to have only a minority ownership interest in an entity created under this section.

(e) Provides that TMB and PAB continue to exercise regulatory authority over their respective license holders according to applicable law.

SECTION 3. Amends Section 301.012, Occupations Code, by adding Subsections (a-1), (a-2), and (a-3), as follows:

(a-1) Authorizes persons licensed as physicians under Subtitle B, Title 3, Occupations Code, and person licensed as physician assistants under Chapter 204, Occupations Code, to form and own a professional association or a professional limited liability company to perform professional services that fall within the scope of practice of those practitioners.

(a-2) Provides that nothing in this section may be construed to allow the practice of medicine by someone not licensed as a physician under Subtitle B, Title 3, Occupations Code, or to allow a person not licensed as a physician to direct the activities of a physician in the practice of medicine.

(a-3) Authorizes a physician assistant or a combination of physician assistants to have only a minority ownership interest in an entity created under this section.

SECTION 4. Effective date: upon passage or September 1, 2011.