

Physician/Physician Assistant Owned Entities

Summary of Legislation and Requirements

HB 2098, enacted by the 82nd Legislature, allows entities to be jointly owned by physicians and physician assistants subject to certain limitations, including percent of ownership by physician assistants. There are annual reporting requirements for physician and physician assistant owners. The full text of HB 2098 can be found here:

<http://www.capitol.state.tx.us/BillLookup/Text.aspx?LegSess=82R&Bill=HB2098>.

The new law applies to jointly owned entities formed on or after June 17, 2011. Highlights include:

- the organizers must be physicians and a physician or physicians must control and manage the entity
- for corporations, the professional services offered by the entity must consist of one or more of the following:
 - carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field;
 - supporting medical education in medical schools through grants or scholarships;
 - developing the capabilities of individuals or institutions studying, teaching, or practicing medicine or acting as a physician assistant;
 - delivering health care to the public; or
 - instructing the public regarding medical science, public health, hygiene, or a related matter
- for corporations, professional associations or professional limited liability companies, physician assistants cannot be officers
- for partnerships, physician assistants cannot be a general partner nor can any physician assistants participate in the management of the partnership
- a physician assistant or combination of physician assistants can have no more than a minority ownership interest
- the ownership interest of an individual physician assistant cannot not equal or exceed the ownership interest of any individual physician owner
- a physician assistant or combination of physician assistants cannot interfere with the practice of medicine by a physician owner or the supervision of physician assistants by a physician owner
- a physician cannot contract with, or be employed by, a physician assistant as a supervising physician
- a physician assistant cannot contract with or employ a physician to be his/her supervising physician
- a physician assistant cannot contract with or employ a physician to supervise another physician in the entity who, in turn, supervises the physician assistant
- nothing in statute may be construed to allow the practice of medicine by someone not licensed as a physician, or to allow a person not licensed as a physician to direct the activities of a physician in the practice of medicine

Applicability

- The restrictions on ownership interests apply to entities formed on or after June 17, 2011.
- Entities formed before June 17, 2011 are governed by the law in effect at the time the interest was acquired.

Reporting

All physician assistant-owned entities in which the physician assistant performs a professional service that falls within the scope of physician assistant practice must register annually, regardless of percent of ownership or when they were formed. Submission of this report with the applicable fees, if accepted by the board, satisfies the reporting requirements for both physicians, if applicable, and physician assistants. (There is no fee for reporting for entities formed before June 17, 2011.)

For entities formed on or after June 17, 2011, the packet must include:

- The Entity Information Sheet.
- For each physician owner, a Physician Owner Certification For Entities Formed On or After June 17, 2011.
- For each physician assistant owner, a Physician Assistant Owner Certification For Entities Formed On or After June 17, 2011.
- The fee of \$18.

For entities formed before June 17, 2011, the packet must include:

- The Entity Information Sheet.
- A Physician Assistant Owner Certification For Entities Formed Before June 17, 2011 for each physician assistant owner.

Submit the Entity Information Sheet, all required owner certifications, and the fee of \$18, if applicable, in one packet, to the Texas Medical Board at the address shown below.

Location Address

333 Guadalupe, Tower 3, Suite 610
Austin, Texas 78701

Mailing Address

P.O. Box 2018
Austin, Texas 78768-2018

Phone 512.305.7030

Fax 512.463.9416

www.tmb.state.tx.us

Pain Management Clinic Ownership

HB 2098 has no effect on the requirement that pain management clinics be owned by physicians. Tex. Occ. Code, Sec. 167.102(a), requires that a pain management clinic be owned and operated by physicians practicing in Texas under an unrestricted license. Ownership interests by anyone other than physicians is not allowed.