



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4504 (Substitute S-1 as reported)
Senate Bill 1168 (as reported without amendment)
Sponsor: Representative John Fitzgerald (H.B. 4504)
Senator Sylvia Santana (S.B. 1168)
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

House Bill 4504 (S-1) would enact within Article 15 (Occupations) of the Public Health Code the Physical Therapy Licensure Compact, which allows the interstate practice of physical therapy. Specifically, the Compact does the following:

- Specifies the requirements to participate in the Compact, including participating fully in the Physical Therapy Compact Commission's data system and having a mechanism in place for receiving and investigating complaints about licensees, among other things.
- Requires a member state to grant the Compact privilege to a licensee holding a valid unencumbered license in another member state in accordance with terms of the Compact and rules.
- Requires a licensee, to exercise the Compact privilege under the terms and provisions of the Compact, to meet requirements prescribed by the bill, including holding a license in the home state and having no encumbrance on any state license, among other things.
- Specifies that, if a licensee loses Compact privilege in any remote state, the individual loses the Compact privilege in any remote state until he or she meets certain requirements.
- Provides a home state with the exclusive power to impose adverse action against a license issued by the home state.
- Allows any member state to investigate actual or alleged violations of the statutes and rules authorizing the practice of physical therapy in any other member state in which a physical therapist or physical therapist assistant held a license or Compact privilege.
- Requires the Compact member states to create and establish the Physical Therapy Compact Commission, and prescribes the Commission's membership, powers, and duties.
- Provides the Commission's executive board the power to act on the Commission's behalf according to the terms of the Compact, and prescribes the executive board's membership, powers, and duties.
- Requires the Commission to provide for the development, maintenance, and use of a coordinated database and reporting system containing licensure, adverse action and investigative information on all licensed individuals in member states.
- Requires the Commission to exercise its rulemaking powers pursuant to the Compact.
- Requires the executive, legislative, and judicial branches of state government in each member state to enforce the Compact.
- Requires the Commission to enforce all provisions and rules of the Compact and take all actions necessary and appropriate to effectuate its purposes and intent.
- Prescribe the procedure for how a state may withdraw from the Compact.

Senate Bill 1168 would amend Article 17 (Facilities and Agencies) of the Public Health Code to do the following:

- Authorize an individual who held a compact privilege to practice physical therapy under the Compact to engage in the practice of physical therapy under Article 15 of the Code.
- Authorize an individual who held a compact privilege to practice physical therapy under the Compact to engage in practice as a physical therapist assistant under Article 15 under the supervision of a physical therapist.

The bills are tie-barred.

MCL 333.17801 et al. (S.B. 1168)

BRIEF RATIONALE

The bills would see Michigan join 26 other states in adopting the Physical Therapy Licensure Compact, in which physical therapists from all 26 states could work in any of the other states with the same licensure. These bills would increase access to physical therapists from outside the State by removing redundant licensure processes that serve as barriers to physical therapists who want to move states. According to testimony, better recruitment and retention of physical therapists could result from the bills, which could lead to better health outcomes in Michigan communities.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State government and no fiscal impact on local units of government. The bill would require the Department of Licensing and Regulatory Affairs (LARA) to take on significant responsibilities; however, existing appropriations and staff likely would be sufficient to cover the cost and workload associated with the Compact. As a participant in the Compact, the State could incur legal costs if it defaulted on Compact terms. The Attorney General also could incur additional enforcement costs. The Commission could also levy and collect an annual assessment on the State to cover its own operation costs. The total assessment is currently unknown. The Compact also would allow licensees from other states to practice in the State without paying the conventional fees to LARA; this would have a negative impact on traditional licensure revenues.

Date Completed: 12-12-24

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