

1 **2020-55-TX** **PA Practice Ownership – Task Force**

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3 2020-55 Resolved

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5 The House of Delegates recommends that AAPA develop a task force to identify the
6 barriers and opportunities to Practice Ownership for PAs and report back to the May
7 2021 HOD.

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9 **Rationale/Justification**

- 10 • AAPA produced an issue brief in 2017 around PAs and Practice Ownership to help PAs
11 think through some of the issues and questions they should consider in this situation.
12 “PA ownership of a medical practice is legal in most states, and quite a few PAs are sole
13 owners or partners in medical practices across the country. However, medical practice
14 ownership can present some challenges unique to PAs, given the often-complex
15 intersection of PA licensing systems, medical practice regulations and reimbursement
16 policies. Decisions about how to structure the practice will have financial, legal and tax
17 implications, which can differ from state to state. PAs considering owning a medical
18 practice should seek legal and financial advice from professionals.
- 19 • However, with the recent COVID-19 pandemic and changing landscape of the healthcare
20 industry it is necessary to readdress this topic and support the rights of PAs nationwide.
- 21 • PAs are the only licensed health profession experiencing arbitrary restrictions from
22 business models (e.g. PAs can own a rural health clinic)
- 23 [https://www.cms.gov/Medicare/Provider-Enrollment-and-](https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/RHCs)
24 [Certification/CertificationandCompliance/RHCs](https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/RHCs)
- 25 • Business owners have a vested interest in their communities and access to healthcare is a
26 cornerstone to any community.
- 27 • Current law in many states restricts PAs from not only owning a practice but even having
28 control or decision-making authority in a practice where they may be the only healthcare
29 provider or managing the practice.
- 30 ○ [https://www.ncmedboard.org/resources-information/professional-](https://www.ncmedboard.org/resources-information/professional-resources/publications/forum-newsletter/article/new-position-statement-addresses-practice-ownership#:~:text=As%20a%20general%20rule%2C%20the%20North%20Carolina%20Professional,medical%20practices%20must%20be%20owned%20by%20licensed%20physicians.)
31 [resources/publications/forum-newsletter/article/new-position-statement-](https://www.ncmedboard.org/resources-information/professional-resources/publications/forum-newsletter/article/new-position-statement-addresses-practice-ownership#:~:text=As%20a%20general%20rule%2C%20the%20North%20Carolina%20Professional,medical%20practices%20must%20be%20owned%20by%20licensed%20physicians.)
32 [addresses-practice-](https://www.ncmedboard.org/resources-information/professional-resources/publications/forum-newsletter/article/new-position-statement-addresses-practice-ownership#:~:text=As%20a%20general%20rule%2C%20the%20North%20Carolina%20Professional,medical%20practices%20must%20be%20owned%20by%20licensed%20physicians.)
33 [ownership#:~:text=As%20a%20general%20rule%2C%20the%20North%20Caroli](https://www.ncmedboard.org/resources-information/professional-resources/publications/forum-newsletter/article/new-position-statement-addresses-practice-ownership#:~:text=As%20a%20general%20rule%2C%20the%20North%20Carolina%20Professional,medical%20practices%20must%20be%20owned%20by%20licensed%20physicians.)
34 [na%20Professional,medical%20practices%20must%20be%20owned%20by%20li](https://www.ncmedboard.org/resources-information/professional-resources/publications/forum-newsletter/article/new-position-statement-addresses-practice-ownership#:~:text=As%20a%20general%20rule%2C%20the%20North%20Carolina%20Professional,medical%20practices%20must%20be%20owned%20by%20licensed%20physicians.)
35 [censed%20physicians.](https://www.ncmedboard.org/resources-information/professional-resources/publications/forum-newsletter/article/new-position-statement-addresses-practice-ownership#:~:text=As%20a%20general%20rule%2C%20the%20North%20Carolina%20Professional,medical%20practices%20must%20be%20owned%20by%20licensed%20physicians.)
- 36 • PA participation in the business of healthcare is severely curtailed by unnecessary
37 regulations that acknowledge their medical acumen but restrict their ability to become
38 business owners and active participants in the delivery of their services. The COVID
39 pandemic has highlighted the decreased access to care for rural or underserved
40 communities as well as health disparities.
- 41 • Changing requirements by the states and Federal entities like CMS have shown that PAs
42 are able to be innovative and adaptive to the needs of their patients and communities on a
43 rapid basis. Allowing them to do this unrestricted by regulations that have no public
44 health justification is key to creating an adaptive and efficient healthcare system.
- 45 ○ <https://www.aapa.org/download/65014/>

- <https://revcycleintelligence.com/news/cms-unveils-more-flexibilities-to-maximize-healthcare-workforce>

Related AAPA Policy

Guidelines for State Regulation of PAs

Cited at HP-3500.3.4 – paper starting on page 118

PA Practice Ownership and Employment

In the early days of the profession the PA was commonly the employee of the physician. In current systems physicians and PAs may be employees of the same hospital, health system, or large practice. In some situations, the PA may be part or sole owner of a practice. PA practice owners may be the employers of physicians.

To allow for flexibility and creativity in tailoring healthcare systems that meet the needs of specific patient populations, a variety of practice ownership and employer-employee relationships should be available to physicians and to PAs. The PA-physician relationship is built on trust, respect, and appreciation of the unique role of each team member. No licensee should allow an employment arrangement to interfere with sound clinical judgment or to diminish or influence their ethical obligations to patients. State law provisions should authorize the regulatory authority to discipline a physician or a PA who allows employment arrangements to exert undue influence on sound clinical judgment or on their professional role and patient obligations.

Possible Negative Implications

We recognize the difference between practice ownership and practicing as an owner. Both aspects have many nuances at federal and state levels and are likely to have obstacles at both levels depending on the political and economic environment.

Financial Impact

Cost of AAPA staff time and resources to form and run a taskforce.

Attestation

I attest that this resolution was reviewed by the submitting organization’s Board and/or officers and approved as submitted.

Signatures

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