

SENATE BILL REPORT

SB 6150

As Reported By Senate Committee On:
Health & Long-Term Care, January 31, 1996

Title: An act relating to health care professionals doing business as professional service corporations or limited liability companies.

Brief Description: Modifying allowed composition of health care professional service corporations and limited liability companies.

Sponsors: Senator Thibaudeau, Deccio, Kohl, Franklin and Wood.

Brief History:

Committee Activity: Health & Long-Term Care: 1/23/96, 1/31/96 [DPS].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6150 be substituted therefor, and the substitute bill do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Deccio, Fairley, Franklin, Moyer, Thibaudeau, Winsley and Wood.

Staff: Rhoda Jones (786-7198)

Background: Under current law a group of individual health care professionals may form a professional service corporation or limited liability company only if all the professionals are members of the same profession. This prevents members of different health care professions from forming a professional service corporation or limited liability company for the purpose of delivering a spectrum of professional services.

Physicians and osteopathic physicians have been allowed to form a single professional service corporation or a limited liability company because they were considered to be providing the same service. This interpretation has recently been called into question by the Secretary of State's office. As a result, both physicians' groups believe that some clarification is needed.

Summary of Substitute Bill: Certain licensed and certified health care professionals are given the ability to form a single professional service corporation or limited liability company. The legislation grants this to 17 different health care professions. In addition, language is added to clearly permit physicians and osteopathic physicians to form a personal service corporation or a limited liability company. The bill affirms the applicability of the Uniform Disciplinary Act and other health care professional statutes, including restrictions on persons practicing beyond the scope of their credential. Osteopathic physicians and osteopathic physician assistants are dropped from the list of health professionals who can incorporate with the 17 other health care professions. In a new section, language is added allowing physicians and osteopathic physicians to incorporate together.

Respiratory care practitioners, pharmacists and hearing aid fillers and dispensers are added to the list of health care professionals who can incorporate together.

Substitute Bill Compared to Original Bill: Acupuncture practitioners are added to the list of health care professionals.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This will result in more integrated health care. Consumers will be able to get better health under one roof. Providers gain financial protections and efficiencies and the ability to coordinate care.

Testimony Against: None.

Testified: PRO: Gail McGaffick, WA State Psychological Assn., ARNPs United, WA State Dietetic Assn.; Lucy Homans, Lee Thorson, WSPA; Carl Nelson, WSMA; Jeff Larsen, WOMA, WSDHA, WANP, RED, etc.; Ann Simons, WA Assn. for Marriage & Family Therapy; Dave Dickman, Nat'l Assn. of Social Workers; Steve Lindstrom, Acupuncture Assn. of WA; Linda Grant, Assn. Alcohol/Addiction Programs.