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BILL ANALYSIS



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House Bill 4066 (Substitute S-1 as reported)
House Bill 4067 (Substitute S-1 as reported)
Sponsor: Representative Jim Tedder
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

House Bill 4066 (S-1) would enact within the Public Health Code the Interstate Medical Licensure Compact, which establishes a process that allows physicians to become licensed in multiple states. Specifically, the Compact does the following:

- Allows a licensed physician who designates a Compact member state as his or her "state of principal license" and meets other eligibility criteria to apply for an expedited license that authorizes him or her to practice in all other member states.
- Requires the licensing board ("member board") in an applicant's state of principal license to issue an expedited license after verification of the applicant's eligibility.
- Authorizes a member state to impose a fee for an expedited license issued or renewed through the Compact in that state.
- Prescribes conditions for the renewal of an expedited license granted in a member state.
- Creates the "Interstate Medical Licensure Compact Commission" to administer the Compact, and prescribes the Commission's membership, powers, and duties.
- Authorizes the Commission to collect an annual assessment from Compact member states to cover its administrative costs.
- Provides immunity from liability for officers and employees of the Commission.
- Requires the Commission to establish a database of all applicants for expedited licensure, as well as physicians who have been granted an expedited license.
- Authorizes member boards to participate in joint investigations of licensed physicians.
- Specifies that a subpoena issued by a member state is enforceable in other member states.
- Specifies that disciplinary action taken by a member board against a physician licensed through the Compact is deemed unprofessional conduct and may be subject to discipline by other member boards.
- Provides that, if a license granted by the member board in a physician's state of principal license is revoked, surrendered or relinquished in lieu of discipline, or suspended, all licenses issued to the physician by member boards automatically are placed on the same status.
- Provides that, if disciplinary action is taken against a physician by a member board other than the board in the state of principal license, any other member board may impose the same or lesser sanctions against the physician or pursue separate disciplinary action.
- Requires automatic suspension for 90 days of all licenses issued to a physician by member boards if his or her license is revoked, surrendered or relinquished in lieu of discipline, or suspended, to allow all member boards to investigate the basis of the action.
- Requires the Commission to promulgate rules to achieve the Compact's purposes, and allows any person to petition for judicial review of a rule.

- Requires the executive, legislative, and judicial branches of state government in each member state to enforce the Compact and to take all actions necessary and appropriate to effectuate its purposes and intent.
- Requires the Commission to enforce the Compact, including through legal action against a member state in default.
- Allows the Commission to determine that a member state has defaulted on its obligations and responsibilities under the Compact, and requires it to specify the conditions by which the default of State must cure the default.
- Allows for the termination of a defaulting state's Compact membership if all other means of securing compliance have been exhausted.
- Prescribes conditions that must be met in order for the Compact to take effect.
- Prescribes procedures for a member state's withdrawal from the Compact, as well as dissolution of the Compact in the event that membership drops to one state.

House Bill 4067 (S-1) would amend the Code to do the following:

- Provide that an allopathic or osteopathic physician who held an expedited license under the Compact would be considered a physician who was licensed under the Code; and would be authorized to engage in the practice of medicine, or osteopathic medicine and surgery, as applicable.
- Prohibit a member board of the State from disclosing information about an individual under the Compact unless certain conditions were met.
- Specify that a subpoena issued under the Compact would be enforceable in the State only under certain conditions.
- Prescribe conditions under which a member board of the State could undertake an investigation of a violation of another state's statute authorizing the practice of medicine.
- Require an individual applying for an expedited license under the compact with a member board to submit one set of his or her fingerprints to the Department of State Police (MSP) for the purpose of conducting a criminal history check.
- Require the MSP to store and retain all fingerprints in an automated fingerprint identification system (AFIS) database.
- Prohibit a health facility or agency from requiring a physician licensed under Article 15 (Occupations) of the Code to seek licensure through the Compact.

The bills are tie-barred. The Compact would be enacted beginning 180 days after the effective date of House Bill 4066 (S-1). The bill would be repealed three years after House Bill 4066 (S-1)'s effective date.

Proposed MCL 333.16189 (H.B. 4066)
MCL 333.17001 et al. (H.B. 4067)

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bills would have a negative, indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs (LARA), and likely no fiscal impact on local units of government. The aspects of the bills and the Compact described below would have a negative fiscal impact.

The bills would allow physicians to choose a qualifying state of principal licensure other than Michigan, which could result in a loss of medical license revenue.

The bills would require Michigan to issue an expedited license to an eligible physician. The State would have to develop and implement a new license for physicians, in addition to the licenses it currently issues for qualified allopathic and osteopathic physicians. Michigan would be allowed to set a fee amount for this new expedited license, which could potentially offset the cost of establishing it.

Michigan would have to report complaints and disciplinary action against Michigan- licensed physicians to the Interstate Commission. The State also would be required to share that information with other member boards upon request. Subpoenas issued by other member states would be enforceable in Michigan. This could require additional regulatory and enforcement staff and resources at the Bureau of Professional Licensing within LARA.

Michigan also would be required to pay an annual fee to the Interstate Commission to cover its operational costs. The amount of the fee is unknown and largely would depend upon the employment and compensation decisions of the Interstate Commission's executive director. Under the Compact, the executive director has unilateral discretion to select employees and set compensation.

The executive, legislative, and judicial branches of Michigan government would have to enforce the Compact. Potential costs to each branch of government for this enforcement duties is indeterminate. Under the Compact, the Commission is empowered to sue a state for a failure to enforce compliance with the Compact. If Michigan were ever determined to be in default, it would be liable for dues, obligations, and liabilities as determined by the Interstate Commission.

Any State law in conflict with the Compact would be superseded by the Compact to the extent of the conflict. This could require additional costs for legal review of any laws in the Public Health Code that the Compact would supersede.

House Bill 4067 (S-1) also would have a minor fiscal impact on MSP, likely an amount less than \$50,000, to cover the costs of necessary programming to establish a code for a new data system subset of AFIS for those seeking an expedited license and to pay for minimal associated administrative tasks.

The bill also would require, as a condition of applying for an expedited license, applicants to submit to fingerprint criminal history checks, which are processed and analyzed by MSP. Under current law, the cost of each fingerprint criminal history check, which includes a search of State and Federal fingerprint databases, is \$43.25 (\$30 State fee, \$13.25 Federal fee). Also, a law enforcement agency or vendor that takes fingerprint impressions from an individual for submission to the MSP may charge a nominal fee for doing so (often \$15 or less, if anything). The cost of performing the background checks by the MSP is wholly covered by the existing fee, and, in fact, the law requires that the fee not exceed the MSP's actual and reasonable cost to conduct the check.

Date Completed: 12-17-18

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.