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An important health care law update from the law firm of Jackson Walker.

**August 30, 2011**

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## New Texas Law Allows Physician Assistants to Own PAs and PLLCs

By **Jed Morrison**

A new Texas law, effective September 1, 2011, allows physician assistants for the first time to become owners jointly with physicians of either professional associations or professional limited liability companies. The law reflects the change in the scope of practice of physician assistants and the changing relationship between physician owners and the physician extenders providing services in their practice.

Physician assistants are not completely on equal footing with physicians as far as ownership in the professional entity. There are a number of restrictions in the law, including that the physician assistant or combination of physician assistants may only have a minority ownership interest in the entity. The ownership interest of an individual physician assistant may not equal or exceed the ownership interest of any individual physician owner. This guarantees that the physician(s) would always have at least the majority share in the professional entity. In addition, the physician assistant may not be an officer in the organization and may not contract with or employ a physician to be a supervising physician for that physician assistant. Finally, to the extent that any statutory provision or regulations under the jurisdiction of the Texas Medical Board ("TMB") or the Texas Physician Assistant Board ("TPAB") conflicts with this new law, the TMB or TPAB rules control.

The law only applies prospectively, and so does not cure any existing ownership relationships that parties may have entered into in the mistaken belief that the practice was permissible. It is unknown whether the TMB may consider rules which may grandfather such relationships.

While it is unlikely that the new law will result in a significant turnover of ownership in professional associations or professional limited liability companies, it is possible that physician assistants will begin to negotiate opportunities for ownership in the entity, and seek greater participation in the fruits of ownership of an organization.

If you have any questions, please contact **Jed Morrison** at 210.978.7780 or [jmorrison@jw.com](mailto:jmorrison@jw.com) or any member of the **Jackson Walker L.L.P. Health Care Section**.

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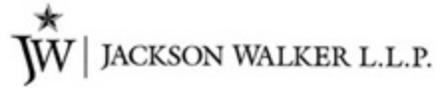
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