

**Department of Consumer Affairs
Title 16. PHYSICIAN ASSISTANT BOARD**

**ADDENDUM TO THE INITIAL STATEMENT OF
REASONS IN OAL FILE Z-2023-0718-04
SB 697 Implementation**

On Page 10 of the Initial Statement of Reasons in OAL FILE Z-2023-0718-04, SB 697 Implementation, the Underlying Data relied upon inadvertently lacked four underlying legislative reports on SB 697 and those reports are hereby added to the rulemaking record and are added to the Underlying Data listed in the Initial Statement of Reasons as follows:

6. April 18, 2019, Senate Business, Professions and Economic Development report on SB 697
7. May 18, 2019, Senate Floor Analysis on SB 697
8. July 8, 2019, Assembly Committee Business and Professions Analysis on SB 697
9. September 9, 2029, Senate Floor Analysis on SB 697

- 5) Requires the PA and the PA's supervising physician and surgeon to establish written guidelines for adequate supervision and adhere to specific medical records review processes. (BPC § 3502 (c))
- 6) Authorizes a supervising physician and surgeon to delegate the authority to issue a drug order to a PA, and may limit this authority by specifying the manner in which the PA may issue delegated prescriptions by adopting a formulary and protocols that specify all criteria for the use of a particular drug or device. The drugs listed in the protocols shall constitute the formulary and shall include only drugs that are appropriate for use in the type of practice engaged in by the supervising physician and surgeon. When issuing a drug order, the PA is acting on behalf of and as an agent for a supervising physician and surgeon. (BPC § 3502.1 (a))
- 7) Limits a physician and surgeon to supervising up to four PAs at one time. (BPC § 3516 (b))
- 8) Limits a physician and surgeon to supervising no more than four nurse practitioners (NPs). (BPC § 2836.1)
- 9) Authorizes a NP to furnish or order drugs or devices when operating in accordance with standardized protocols developed by the NP and supervising physician. (BPC § 2836.1)
- 10) States that physician and surgeon supervision shall not be construed to require the physical presence of the physician, but does include collaboration on the development of the standardized procedure, approval of the standardized procedure, and availability by telephonic contact at the time of patient examination by the NP. (BPC § 2831(d))
- 11) Authorizes a physician and surgeon to determine the extent of supervision necessary for an NP to furnish and order drugs. (BPC § 2831 (g)(2))

This bill:

- 1) Revises the Act's Legislative intent to strike references to PA's delegated authority and instead emphasizes coordinated care between healthcare professionals.
- 2) Updates the definition of "supervising physician" or "supervising physician and surgeon" by replacing reference to "improper use" of a PA with "prohibiting employment or supervision" of a PA.
- 3) Prohibits "supervision" from requiring the physical presence of the physician and surgeon.
- 4) Defines an "organized health care system" to include a licensed clinic, an outpatient setting, a health facility, a county medical facility, an accountable care organization, a home health agency, a physician's office, a professional medical corporation, a medical partnership, a medical foundation, and any other organized entity that lawfully provides medical services, as specified.

- 5) Strikes references to a DSA and replaces it with “practice agreement,” which means the writing, developed through collaboration among one or more physicians and surgeons, one or more PAs, and, if applicable, administrators of an organized health care system, that outlines the medical services the PA is authorized to perform and that grants approval for physicians and surgeons to supervise one or more PAs. States that any reference to a DSA relating to PAs in any other law shall have the same meaning as a practice agreement.
- 6) Deletes the definition of and references to a “medical records review meeting.”
- 7) Strikes references to the requirement that each medical record, for each episode of patient care, identifies the physician and surgeon responsible for the supervision of the PA.
- 8) Deletes the provision of law stating that a PA acts as an agent of the supervising physician when performing any activity under the Act.
- 9) Authorizes a PA to perform those medical services as set forth in regulations if the PA meets the following requirements:
 - a) The PA renders the services under the supervision of a licensed physician and surgeon who is not subject to a disciplinary condition imposed by the MBC or by the Osteopathic Medical Board prohibiting that supervision or prohibiting the employment of a PA.
 - b) The PA renders the services pursuant to a DSA or a practice agreement.
 - c) The PA is competent to perform the services.
 - d) The PA’s education, training, and experience have prepared the PA to render the services.
- 10) Strikes references to a supervising physician and surgeon adopting protocols for some or all of the tasks performed by the PA, and the requirements for such protocols.
- 11) Prohibits the Act from being construed to require a physician to review or countersign a patient’s medical record who was treated by a PA, unless required by the practice agreement. The PAB may, as a condition of probation of a licensee, require the review or countersignature of records of patients treated by a PA for a specified duration.
- 12) Redrafts provisions of law relating to PAs furnishing or ordering drugs and devices in context of the practice agreement.
- 13) Authorizes a PA to furnish or order a drug or device in accordance with the practice agreement and consistent with the PA’s educational preparation or for which clinical competency has been established and maintained.

- 14) Allows a physician and surgeon to supervise an additional two PAs at one time, for a total of six.
- 15) Requires a practice agreement to include the following:
 - a) The types of medical services a PA is authorized to perform and how the services are performed.
 - b) Policies and procedures to ensure adequate supervision of the PA, including but not limited to, appropriate communication, availability, consultations, and referrals between a physician and surgeon and the PA in the provision of medical services.
 - c) The methods for the continuing evaluation of the PA's competency and qualifications.
 - d) The furnishing or ordering of drugs or devices by a PA.
 - e) Any additional provisions agreed to by the PA and physician and surgeon or organized health care system.
- 16) Requires the practice agreement to be signed by both the PA and one or more physicians and surgeons or a physician and surgeon who is authorized to approve the practice agreement on behalf of the staff of the physicians and surgeons on the staff of an organized health care system.
- 17) Deems a DSA in effect prior to January 1, 2020 to meet the requirements of this bill.
- 18) Prohibits this bill from being construed to require the PAB's approval of a practice agreement.
- 19) Deletes provisions of law that conflict with the principle of multiple physician and surgeon supervision of a PA.
- 20) Deletes outdated sections of code relating to the requirement that a supervising physician and surgeon apply to the PAB and pay a fee.
- 21) Makes technical changes,
- 22) States that the provisions of this bill are severable, and if any provision of this bill or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

1. **Purpose.** This bill is sponsored by the California Academy of PAs. According to the Author's office, "There are several disparities between PAs and other medical professionals in the same arena when it comes to the relationship between PAs and

physicians. In practice, this means PAs are subject to burdensome regulations such as chart review, co-signatures, DSA requirements, and outdated ratios for prescribing purposes. These regulations incur a burden upon the physician as well, who may not be incentivized to hire a PA if a less regulated Nurse Practitioner is available.

“It is very possible that this disincentive to hire PAs may be contributing to the lack of healthcare services across out state, but especially in rural areas. If regulations were lessened on PAs to better match a Nurse Practitioner’s status, there would be little or no disparity and PAs could be better utilized by physicians in areas where health care services are lacking. This bill seeks to reduce the burdens on the physician – PA relationship, so practices can thrive and potentially expand.”

2. **Background on the PA profession.** According to the PAB, the concept of a PA originated in a 1961 article in the *Journal of the American Medical Association* calling for "an advanced medical assistant with special training, intermediate between that of the technician and that of the doctor, who could not only handle any technical procedures but could also take some degree of medical responsibility."

The first Physician Assistant training program began in 1965 at Duke University with the admission of four ex-military corpsmen into a two-year program. California began regulating the profession in 1970 “to redress the growing shortage and geographic maldistribution of health care services in California.” The PA practice act permitted the supervised delegation of certain medical services to PAs, thus freeing physicians to focus their skills on other procedures.

The Act has been updated several times over the decades to reflect changing realities in supervisory requirements and healthcare practices. However, the central concept of the PA practice, the close supervisorial relationship between a PA and a physician and surgeon, has remained throughout.

3. **The Licensed PA.** To become licensed in California, a PA must attend and graduate from an accredited PA program associated with a medical school that includes classroom studies and clinical experience. The professional curriculum for PA education includes basic medical, behavioral, and social sciences; introduction to clinical medicine and patient assessment; supervised clinical practice; and health policy and professional practice issues.

A PA performs many of the same diagnostic, preventative, and health maintenance services as a physician. These services include, but are not limited to, the following:

- Taking health histories
- Performing physical examinations
- Ordering X-rays and laboratory tests
- Ordering respiratory, occupational, or physical therapy treatments
- Performing routine diagnostic tests
- Establishing diagnoses
- Treating and managing patient health problems
- Administering immunizations and injections
- Instructing and counseling patients

- Providing continuing care to patients in the home, hospital, or extended care facility
- Providing referrals within the health care system
- Performing minor surgery
- Providing preventative health care services
- Acting as first or second assistants during surgery
- Responding to life-threatening emergencies

4. **PA v. Nurse Practitioner.** Both PAs and NPs are mid-level healthcare professionals with overlapping scopes of practice. Each have distinct training and philosophies: nurses follow a patient-centered model in which they focus on disease prevention and health education, while PAs follow a disease-centered model in which they focus on the biologic and pathologic components of health.

PAs and NPs provide many of the same healthcare services, and are often considered for the same jobs. Indeed, a 2010 article from the *American College of Physicians' Center for Practice Improvement and Innovation*, "Hiring a Physician Assistant or Nurse Practitioner" notes:

"A PA or NP can increase your practice's accessibility, productivity, and revenue while contributing to excellent quality and patient satisfaction.... NPs/PAs are trained to provide a wide range of clinical care which includes the ability to conduct patient evaluations (interviews and physical evaluations), diagnose conditions (including ordering laboratory tests and interpreting results), develop and implement therapeutic plans, and provide preventive health services and counseling. These health care professionals can also handle many types of office visits, do certain procedures, support hospital and nursing home rounds, take after hours call, and contribute to care coordination/population management initiatives for the entire practice....

"Once you have decided to hire an NP or PA (as opposed to a physician), the choice between an NP or a PA may be dictated by the availability of qualified applicants."

In California, a substantial differentiating factor between the two professions is the comparatively higher level of administrative duties related to supervision required by the PA's Practice Act.

For these reasons, the sponsors of this bill argue that NPs are being favored over PAs for similar work. This bill is intended to align the supervisory and practice environments between NPs and PAs to create a level hiring field.

5. **Related Legislation.** AB 890 (Wood) would authorize a nationally certified NP to provide specified medical services without physician supervision if the NP, among other things, works in a specified integrated or organized health setting, or the NP meets specified education requirements and completes a 3-year transition to practice program. (Status: *This bill is pending in the Assembly Appropriations Committee.*)

6. **Prior Related Legislation.** AB 3 (Bass, Chapter 376, Statutes of 2007) deleted the prohibition on the authority of a PA to issue a drug order for specified classes of controlled substances, required a PA and his or her supervising physician and surgeon to establish written supervisory guidelines and protocols, increased to four the number of PAs a physician and surgeon may supervise, and specified that services provided by a PA are included as covered benefits under the Medi-Cal program.

SB 1236 (Price, Chapter 332, Statutes of 2012) renamed the Physician Assistant Committee as the PAB and made related changes.

SB 337 (Pavley, Chapter 536, Statutes of 2015) provided two additional mechanisms for a supervising physician and surgeon to ensure adequate supervision of a PA functioning under protocols.

7. **Arguments in Support.** The California Academy of PAs writes, “By enhancing the flexibility of healthcare teams at the practice level, responsiveness to local patients’ needs will be significantly improved.

“It is not the intent of California PAs to expand their scope of practice nor to attempt to practice independently. Neither is there a desire to eliminate a medical practice’s authority to supervise the PA. The goal of SB 697 is to allow the PA to work more effectively within the four walls of the practice by removing redundant and outmoded administrative constraints.”

America’s Physician Groups writes, “We have worked with the bill sponsors, the California Academy of Physician Assistants, for several years on legislative proposals that have increased patient access to care. We support this bill because it provides a much-needed update to the law on the licensure and supervision of physician assistants. The recently proposed amendments clarify and focus the scope of the bill so that it is more understandable. This legislative proposal will enable our Medical Groups to further augment our services to patients.

“PAs increase the reach of a medical practice. They are well-received by patients for their skill and care. PAs are the plentiful, youthful, and vital component of the California healthcare workforce for today and the future.”

8. **Author’s Amendments.** The Author wishes to make the following technical amendments:

1. *On page 5, line 40, replace “officer” with “office”*
2. *On page 6, line 28, delete “the regulations to”; on page 6, line 29, delete “be adopted under”*
3. *On page 10, line 6, delete “delegation of”; line 7, delete “services agreement or”*
4. *On page 10, line 26, delete “This section shall not be construed to” and add “Nothing in statute or regulations shall”*

5. *On page 12, line 33 after “to” add “all of”*
6. *On page 13, line 25, delete “and specified”*
7. *On page 13, line 29, delete “a”; on line 30 delete “patient-specific protocol” and insert “the practice agreement or a patient-specific order”*
8. *On page 14, line 1, delete “Except as provided in subdivision (c),”*
9. *On page 14, line 31, replace “the” with “a”*
10. *On page 14, line 35, after “prescriber” add “for purposes of this code and the Health and Safety Code.”*
11. *On page 14, line 39, delete “, but is not limited to,”*
12. *On page 15, line 22, delete “For purposes of the act adding this subdivision,”*
13. *On page 15, line 30, delete “for inclusion in a practice”; line 33, delete “agreement”*

The Author also wishes to delete the obligation of the PAB to make recommendations to the Medical Board of California regarding the application of physicians to supervise PAs because applications and fees have not been collected by PAB since 2005.

14. *Amend BPC § 3509 to strike subdivision (c).*

SUPPORT AND OPPOSITION:

Support:

California Academy of PAs (Sponsor)
America’s Physician Groups
Association of California Healthcare Districts
California Association for Health Services at Home
California Medical Association
California Psychiatric Association

Opposition:

None on file as of April 17, 2019.

-- END --

THIRD READING

Bill No: SB 697
Author: Caballero (D), et al.
Amended: 4/24/19
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 8-0, 4/22/19
AYES: Glazer, Chang, Archuleta, Dodd, Galgiani, Hill, Leyva, Wilk
NO VOTE RECORDED: Pan

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/16/19
AYES: Portantino, Bates, Bradford, Hill, Jones, Wieckowski

SUBJECT: Physician assistants: practice agreement: supervision

SOURCE: California Academy of PAs

DIGEST: This bill revises the Physician Assistant Practice Act (Act) to allow multiple physicians and surgeons to supervise a physician assistant (PA), recasts the delegation of services agreement (DSA) as a practice agreement, eliminates the statutory requirement of medical records review, authorizes a physician and surgeon to supervise two additional PAs for a total of six, and makes other substantive and technical changes.

ANALYSIS:

Existing law:

- 1) Establishes the Physician Assistant Board (PAB), comprised of five PAs and four public members to establish standards and issue licenses of approval for programs for the education and training of PAs. (Business and Professions Code (BPC) Sections 3504)

- 2) Defines a DSA as the writing that delegates to a PA from a supervising physician the medical services the PA is authorized to perform. (BPC § 3501 (a)(10))
- 3) States that a PA acts as an agent of the supervising physician when performing any activity authorized by the Act. (BPC § 3501 (b))
- 4) Authorizes a PA to perform medical services under the supervision of a physician and surgeon who must be physically available to the PA. (BPC § 3502 (a)(2))
- 5) Requires the PA and the PA's supervising physician and surgeon to establish written guidelines for adequate supervision and adhere to specific medical records review processes. (BPC § 3502 (c))
- 6) Limits a physician and surgeon to supervising up to four PAs at one time. (BPC § 3516 (b))
- 7) Limits a physician and surgeon to supervising no more than four nurse practitioners (NPs). (BPC § 2836.1)
- 8) Authorizes a NP to furnish or order drugs or devices when operating in accordance with standardized protocols developed by the NP and supervising physician. (BPC § 2836.1)
- 9) States that physician and surgeon supervision shall not be construed to require the physical presence of the physician, but does include collaboration on the development of the standardized procedure, approval of the standardized procedure, and availability by telephonic contact at the time of patient examination by the NP. (BPC § 2831(d))
- 10) Authorizes a physician and surgeon to determine the extent of supervision necessary for an NP to furnish and order drugs. (BPC § 2831 (g)(2))

This bill:

- 1) Revises the Act's Legislative intent to strike references to PA's delegated authority and instead emphasizes coordinated care between healthcare professionals.

- 2) Updates the definition of “supervising physician” or “supervising physician and surgeon” by replacing reference to “improper use” of a PA with “prohibiting employment or supervision” of a PA.
- 3) Prohibits “supervision” from requiring the physical presence of the physician and surgeon.
- 4) Defines an “organized health care system” to include a licensed clinic, an outpatient setting, a health facility, a county medical facility, an accountable care organization, a home health agency, a physician’s office, a professional medical corporation, a medical partnership, a medical foundation, and any other organized entity that lawfully provides medical services, as specified.
- 5) Strikes references to a DSA and replaces it with “practice agreement,” which means the writing, developed through collaboration among one or more physicians and surgeons, one or more PAs, and, if applicable, administrators of an organized health care system, that outlines the medical services the PA is authorized to perform and that grants approval for physicians and surgeons to supervise one or more PAs. States that any reference to a DSA relating to PAs in any other law shall have the same meaning as a practice agreement.
- 6) Deletes the definition of and references to a “medical records review meeting.”
- 7) Strikes references to the requirement that each medical record, for each episode of patient care, identifies the physician and surgeon responsible for the supervision of the PA.
- 8) Deletes the provision of law stating that a PA acts as an agent of the supervising physician when performing any activity under the Act.
- 9) Authorizes a PA to perform those medical services as set forth in code if the PA meets the following requirements:
 - a) The PA renders the services under the supervision of a licensed physician and surgeon who is not subject to a disciplinary condition imposed by the MBC or by the Osteopathic Medical Board prohibiting that supervision or prohibiting the employment of a PA.
 - b) The PA renders the services pursuant to a practice agreement.

- c) The PA is competent to perform the services.
 - d) The PA's education, training, and experience have prepared the PA to render the services.
- 10) Strikes references to a supervising physician and surgeon adopting protocols for some or all of the tasks performed by the PA, and the requirements for such protocols.
 - 11) Prohibits the Act or any regulations from being construed to require a physician and surgeon to review or countersign a patient's medical record who was treated by a PA, unless required by the practice agreement. The PAB may, as a condition of probation of a licensee, require the review or countersignature of records of patients treated by a PA for a specified duration.
 - 12) Redrafts provisions of law relating to PAs furnishing or ordering drugs and devices in context of the practice agreement or a patient-specific order.
 - 13) Authorizes a PA to furnish or order a drug or device in accordance with the practice agreement and consistent with the PA's educational preparation or for which clinical competency has been established and maintained.
 - 14) Allows a physician and surgeon to supervise an additional two PAs at one time, for a total of six.
 - 15) Requires a practice agreement to include the following:
 - a) The types of medical services a PA is authorized to perform and how the services are performed.
 - b) Policies and procedures to ensure adequate supervision of the PA, including but not limited to, appropriate communication, availability, consultations, and referrals between a physician and surgeon and the PA in the provision of medical services.
 - c) The methods for the continuing evaluation of the PA's competency and qualifications.
 - d) The furnishing or ordering of drugs or devices by a PA.

- e) Any additional provisions agreed to by the PA and physician and surgeon or organized health care system.
- 16) Requires the practice agreement to be signed by both the PA and one or more physicians and surgeons or a physician and surgeon who is authorized to approve the practice agreement on behalf of the staff of the physicians and surgeons on the staff of an organized health care system.
- 17) Deems a DSA in effect prior to January 1, 2020 to meet the requirements of this bill.
- 18) Prohibits this bill from being construed to require the PAB's approval of a practice agreement.
- 19) Deletes provisions of law that conflict with the principle of multiple physician and surgeon supervision of a PA.
- 20) Deletes outdated sections of code relating to the requirement that a supervising physician and surgeon apply to the PAB and pay a fee.
- 21) Makes technical changes.
- 22) States that the provisions of this bill are severable, and if any provision of this bill or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Background

The Licensed PA. To become licensed in California, a PA must attend and graduate from an accredited PA program associated with a medical school that includes classroom studies and clinical experience. The professional curriculum for PA education includes basic medical, behavioral, and social sciences; introduction to clinical medicine and patient assessment; supervised clinical practice; and health policy and professional practice issues.

A PA performs many of the same diagnostic, preventative, and health maintenance services as a physician.

PA v. Nurse Practitioner. Both PAs and NPs are mid-level healthcare professionals with overlapping scopes of practice. Each have distinct training and philosophies: nurses follow a patient-centered model in which they focus on disease prevention and health education, while PAs follow a disease-centered model in which they focus on the biologic and pathologic components of health.

PAs and NPs provide many of the same healthcare services, and are often considered for the same jobs. In California, a substantial differentiating factor between the two professions is the comparatively higher level of administrative duties related to supervision required by the PA's Practice Act.

For these reasons, the sponsors of this bill argue that NPs are being favored over PAs for similar work. This bill is intended to align the supervisory and practice environments between NPs and PAs to create a level hiring field.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- No anticipated impact to the PAB and the Medical Board of California.
- The Department of Consumer Affairs' Office of Information Services identified a fiscal impact of \$54,000 to be funded through the redirection of existing maintenance resources. If regulations are required, and they impact IT work, IT requirements cannot be finalized until the regulations are completed.

SUPPORT: (Verified 5/15/19)

California Academy of PAs (source)
America's Physician Groups
Association of California Healthcare Districts
California Association for Health Services at Home
California Medical Association
California Psychiatric Association

OPPOSITION: (Verified 5/15/19)

California Chapter of the American College of Emergency Physicians
Physician Assistant Board

ARGUMENTS IN SUPPORT: The California Academy of PAs writes, “By enhancing the flexibility of healthcare teams at the practice level, responsiveness to local patients’ needs will be significantly improved.

“It is not the intent of California PAs to expand their scope of practice nor to attempt to practice independently. Neither is there a desire to eliminate a medical practice’s authority to supervise the PA. The goal of SB 697 is to allow the PA to work more effectively within the four walls of the practice by removing redundant and outmoded administrative constraints.”

America’s Physician Groups writes, “We have worked with the bill sponsors, the California Academy of Physician Assistants, for several years on legislative proposals that have increased patient access to care. We support this bill because it provides a much-needed update to the law on the licensure and supervision of physician assistants. The recently proposed amendments clarify and focus the scope of the bill so that it is more understandable. This legislative proposal will enable our Medical Groups to further augment our services to patients.

“PAs increase the reach of a medical practice. They are well-received by patients for their skill and care. PAs are the plentiful, youthful, and vital component of the California healthcare workforce for today and the future.”

ARGUMENTS IN OPPOSITION: The California Chapter of the American College of Emergency Physicians writes that they are concerned that the current bill does not require the identification of a supervising physician and surgeon and allows for unlimited supervision of non-prescribing PAs.

Prepared by: Sarah Huchel / B., P. & E.D. /
5/18/19 11:34:21

**** END ****

Date of Hearing: July 9, 2019

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Evan Low, Chair

SB 697 (Caballero) – As Amended July 1, 2019

SENATE VOTE: 37-0

SUBJECT: Physician assistants: practice agreement: supervision

SUMMARY: Revises the way physician assistants are supervised by physicians, allowing multiple physicians and surgeons to supervise a physician assistant (PA); redefines the supervision agreement, called a delegation of services agreement (DSA), as a practice agreement; eliminates the statutory requirement of medical records review; generally allows supervising physician and surgeons to determine the appropriate level of supervision for PA practice; and makes other conforming and technical changes.

EXISTING LAW:

- 1) Regulates and licenses PAs under the Physician Assistant Practice Act. (Business and Professions Code (BPC) §§ 3500-3546)
- 2) Establishes, until January 1, 2020, the Physician Assistant Board (PAB) to administer and enforce the PA Practice Act. (BPC § 3504)
- 3) Defines a DSA as the writing that delegates to a PA from a supervising physician the medical services the PA is authorized to perform. (BPC § 3501(a)(10))
- 4) Specifies that that a PA acts as an agent of the supervising physician when performing any activity authorized by the Act. (BPC § 3501(b))
- 5) Authorizes a PA to perform medical services under the supervision of a physician and surgeon who must be physically available to the PA. (BPC § 3502(a)(2))
- 6) Requires the PA and the PA's supervising physician and surgeon to establish written guidelines for adequate supervision and adhere to specific medical records review processes. (BPC § 3502(c))
- 7) Authorizes a supervising physician and surgeon to delegate the authority to issue a drug order to a PA, and may limit this authority by specifying the manner in which the PA may issue delegated prescriptions by adopting a formulary and protocols that specify all criteria for the use of a particular drug or device. The drugs listed in the protocols must constitute the formulary and shall include only drugs that are appropriate for use in the type of practice engaged in by the supervising physician and surgeon. When issuing a drug order, the PA is acting on behalf of and as an agent for a supervising physician and surgeon. (BPC § 3502.1(a))

- 8) Authorizes a nurse practitioner to furnish or order drugs or devices when operating in accordance with standardized protocols developed by the nurse practitioner and supervising physician. (BPC § 2836.1)
- 9) Specifies that “supervision”, as it relates to nurse practitioners and certified nurse-midwives, shall not be construed to require the physical presence of the physician, but does include collaboration on the development of the standardized procedure, approval of the standardized procedure, and availability by telephonic contact at the time of patient examination by the NP. (BPC §§ 2746.5, 2746.51, 2831(d))

THIS BILL:

- 1) Provides that “supervision” is not meant to require the physical presence of the physician and surgeon.
- 2) Defines “regulations” as the rules and regulations as set forth by the PAB, as those provisions read on June 7, 2019.
- 3) (8) (h) “Rou
- 4) Defines an “organized health care system” to include a licensed clinic, an outpatient setting, a health facility, a county medical facility, an accountable care organization, a home health agency, a physician’s officer, a professional medical corporation, a medical partnership, a medical foundation, and any other organized entity that lawfully provides medical services, as specified.
- 5) Strikes references to a DSA and replaces it with “practice agreement,” which means the writing, developed through collaboration among one or more physicians and surgeons, one or more PAs, and, if applicable, administrators of an organized health care system, that outlines the medical services the PA is authorized to perform and that grants approval for physicians and surgeons to supervise one or more PAs. States that any reference to a DSA relating to PAs in any other law shall have the same meaning as a practice agreement.
- 6) Deletes the definition of and references to a “medical records review meeting.”
- 7) Strikes references to the requirement that each medical record, for each episode of patient care, identifies the physician and surgeon responsible for the supervision of the PA.
- 8) Deletes the provision of law stating that a PA acts as an agent of the supervising physician when performing activities authorized under the PA Practice Act.
- 9) Authorizes a PA to perform medical services under the PA Practice act if the PA meets the following requirements:
 - a) The PA renders the services under the supervision of a licensed physician and surgeon who is not subject to a disciplinary condition imposed by the MBC or by the Osteopathic Medical Board prohibiting that supervision or prohibiting the employment of a PA.
 - b) The PA renders the services pursuant to a practice agreement.

- c) The PA is competent to perform the services.
 - d) The PA's education, training, and experience have prepared the PA to render the services.
- 10) Strikes references to a supervising physician and surgeon adopting written guidelines for some or all of the tasks performed by the PA.
 - 11) Specifies that the PA Practice Act may not be construed to require a physician to review or countersign a patient's medical record who was treated by a PA, unless required by the practice agreement. The PAB may, as a condition of probation of a licensee, require the review or countersignature of records of patients treated by a PA for a specified duration.
 - 12) Redrafts provisions of law relating to PAs furnishing or ordering drugs and devices in context of the practice agreement.
 - 13) Authorizes a PA to furnish or order a drug or device in accordance with the practice agreement and consistent with the PA's educational preparation or for which clinical competency has been established and maintained.
 - 14) Requires a practice agreement to include the following:
 - a) The types of medical services a PA is authorized to perform and how the services are performed.
 - b) Policies and procedures to ensure adequate supervision of the PA, including but not limited to, appropriate communication, availability, consultations, and referrals between a physician and surgeon and the PA in the provision of medical services.
 - c) The methods for the continuing evaluation of the PA's competency and qualifications.
 - d) The furnishing or ordering of drugs or devices by a PA.
 - e) Any additional provisions agreed to by the PA and physician and surgeon or organized health care system.
 - 15) Requires the practice agreement to be signed by both the PA and one or more physicians and surgeons or a physician and surgeon who is authorized to approve the practice agreement on behalf of the staff of the physicians and surgeons on the staff of an organized health care system.
 - 16) Deems a DSA in effect prior to January 1, 2020 to meet the requirements of this bill.
 - 17) Specifies that the requirements under this bill may not be construed to require the PAB's approval of a practice agreement.
 - 18) Deletes provisions of law that conflict with the principle of multiple physician and surgeon supervision of a PA.

19) Deletes outdated sections of code relating to the requirement that a supervising physician and surgeon apply to the PAB and pay a fee.

20) Makes technical and conforming changes.

FISCAL EFFECT: According to the Senate Appropriations Committee analysis of the April 24, 2019, version of this bill:

- No anticipated impact to the Physician Assistant Board (PAB) and the Medical Board.
- The Department of Consumer Affairs' Office of Information Services identified a fiscal impact of \$54,000 to be funded through the redirection of existing maintenance resources. If regulations are required, and they impact IT work, IT requirements cannot be finalized until the regulations are completed.

COMMENTS:

Purpose. This bill is sponsored by the *California Academy of PAs*. According to the author, "There are several disparities between PAs and other medical professionals in the same arena when it comes to the relationship between PA and physician. In practice, this means PAs are subject to burdensome regulations such as chart review, co signatures, DSA requirements, and outdated ratios. These regulations incur a burden upon the physician as well, who may not be incentivized to hire a PA if a less regulated Nurse Practitioner is available. It is very possible that this disincentive to hire PAs may be contributing to the lack of healthcare services across out state, but especially in rural areas. To combat this distinction, regulations need to be revised for PAs to better match a Nurse Practitioner's status. That way, with added flexibility in the working relationship between physician and PA, PAs could be better utilized by physicians in areas where health care services are lacking. [This bill] seeks to reduce the burdens on the physician – PA relationship so practices can thrive and potentially expand."

Background. According to the PAB, a PA, is a licensed and highly skilled health care professional. PAs are trained academically and clinically to provide health care services with the direction and responsible supervision of a physician and surgeon. Within the physician-PA relationship, PAs make clinical decisions and provide a broad range of diagnostic, therapeutic, preventive, and health maintenance services.

The PA Practice Act has been updated several times over the decades to reflect changing realities in supervisory requirements and healthcare practices. However, according to the PAB and sponsors, the central concept of the PA practice, the close supervisorial relationship between a PA and a physician and surgeon remains essential to PA practice.

To become licensed in California, a PA must attend and graduate from an accredited PA program associated with a medical school that includes classroom studies and clinical experience. The professional curriculum for PA education includes basic medical, behavioral, and social sciences; introduction to clinical medicine and patient assessment; supervised clinical practice; and health policy and professional practice issues.

PA Scope and Supervision. A PA is authorized to perform many of the same diagnostic, preventative, and health maintenance services as a physician. Under current law, these services are authorized under a contractual and statutory agreement called a delegation of services agreement (DSA). The DSA outlines everything the PA is allowed to do. In establishing a DSA, a supervising physician uses professional and clinical judgment to review the PAs competency to perform a variety of services.

These services include, but are not limited to, the following:

- Taking health histories
- Performing physical examinations
- Ordering X-rays and laboratory tests
- Ordering respiratory, occupational, or physical therapy treatments
- Performing routine diagnostic tests
- Establishing diagnoses
- Treating and managing patient health problems
- Administering immunizations and injections
- Instructing and counseling patients
- Providing continuing care to patients in the home, hospital, or extended care facility
- Providing referrals within the health care system
- Performing minor surgery
- Providing preventative health care services
- Acting as first or second assistants during surgery
- Responding to life-threatening emergencies

In making the determination as to what a PA is allowed to perform, the physician also establishes case review and other requirements to ensure proper oversight. While there are statutory requirements as to the number of case reviews and other protections that a physician must meet, the physician's license is subject to discipline for any patient harm resulting from a PA's practice if the physician does not perform the appropriate oversight.

However, modern medical practice comes in many forms. According to the sponsors, the statutory limitations on case reviews and the single physician supervision model is overly burdensome and duplicative of other protections built in to the healthcare system, such as credentialing and privileging in organized health systems.

To reduce those duplicative requirements, this bill eliminates the statutory requirements for administrative oversight by physicians and instead requires physicians and PAs to determine for themselves the appropriate level of supervision, with every licensee involved in a specific practice agreement subject to discipline for improper supervision. Rather than require a statutory number of case reviews or meetings, this bill would require the physicians and PAs to outline the necessary details for the Medical Board of California and the PAB to determine whether patient harm was the result of individual incompetence or an improperly developed practice agreement.

ARGUMENTS IN SUPPORT:

The *California Academy of PAs* (sponsor) writes, “By enhancing the flexibility of healthcare teams at the practice level, responsiveness to local patients’ needs will be significantly improved.”

“It is not the intent of California PAs to expand their scope of practice nor to attempt to practice independently. Neither is there a desire to eliminate a medical practice’s authority to supervise the PA. The goal of [this bill] is to allow the PA to work more effectively within the four walls of the practice by removing redundant and outmoded administrative constraints.”

America’s Physician Groups writes, “We have worked with the bill sponsors, the California Academy of Physician Assistants, for several years on legislative proposals that have increased patient access to care. We support this bill because it provides a much-needed update to the law on the licensure and supervision of physician assistants. The recently proposed amendments clarify and focus the scope of the bill so that it is more understandable. This legislative proposal will enable our Medical Groups to further augment our services to patients.”

“PAs increase the reach of a medical practice. They are well-received by patients for their skill and care. PAs are the plentiful, youthful, and vital component of the California healthcare workforce for today and the future.”

The *California Medical Association* (CMA) writes, “CMA is dedicated to improving access and affordability to health care. One way to achieve this goal is to ensure physicians can assemble a full team of qualified health professionals to care for patients. Current administrative hurdles diminish incentives to working with physician assistants, and often result in physicians supervising less physician assistants than the law would allow. This means that the physician and their team are not at the full capacity of patients they could serve.”

“[This bill] addresses these administrative hurdles specifically through removing fees for supervising physician assistants, easing restrictions in the current delegated services agreement between physicians and physician assistants, and transitioning this agreement into a Practice Agreement which will allow for the agreement to serve the relationship of a physician assistant and physicians in a practice, instead of to an individual physician. [This bill] also removes confusing chart review requirements, leaving in any necessary chart review to be determined by the supervising physicians. Finally, [This bill] allows for more autonomy to each medical practice as to their functional relationship with their physician assistants. We believe these administrative fixes will help to alleviate the burdens of working with physician assistants and increase the capacity of physicians and physician assistants to address critical access to care.”

ARGUMENTS IN OPPOSITION:

The *California Chapter of the American College of Emergency Physicians* are opposed unless amended, writing, “under the current supervision system there is a clearly defined relationship between PAs and the physicians that supervise them. Under the structure proposed in [this bill], this relationship is lost, as there is no requirement to identify which physician is supervising which PA. In the [emergency department] setting this exposes every physician to potential liability for actions of a PA, rather than narrowing it to the physician supervising at the time of

the alleged incident. Similarly, PA's for other specialties often provide on-call services in the ED. In some cases, emergency physicians may want to consult directly with the supervising specialist physician rather than the PA, a practice protected by current statute that would be eliminated by [this bill].

The *Physician Assistant Board* is opposed unless amended, seeking:

- 1) The removal of the references to "organized health care system" because the board believes it allows for the corporate practice of medicine;
- 2) An amendment to the definition of "supervision" to allow for the physical presence of a physician, arguing that the language "shall not be construed" prevents the board and the Medical Board of California from disciplining a licensee when patient harm resulted from a practice agreement that did not require physical presence;
- 3) The striking of the language limiting regulations to those in effect June 7, 2019, as well as reauthorizing the board to establish regulations that limit the services a PA may perform;
- 4) The addition of language limiting the services a physician may delegate "to those tasks and procedures consistent with the supervising physician's specialty or usual and customary practice and with the patient's health condition;
- 5) And restoration of the current language regarding drug ordering and prescribing, rather than references to furnishing and ordering.

IMPLEMENTATION ISSUES:

Initialisms. Currently, the agreements between physician assistants and physicians are called delegation of services agreements, or DSAs, for short. As a result, the new term, practice agreement, might be initialized to PA in conversation or otherwise. However, the term physician assistant is often initialized (and defined under this bill) as PA. If this bill passes this committee, the author may wish to work with the sponsor and other stakeholders to determine a name for the new agreement that does not share the same initials as the practitioners.

AMENDMENTS:

- 1) *Supervision.* The bill specifies that "supervision" shall not be construed to require the physical presence of a physician and surgeon. While this is language taken from the nursing practice act, the PAB believes it could be construed to prevent the PAB and the Medical Board of California from disciplining a licensee when patient harm resulted from a practice agreement that did not require physical presence, as well as limit the boards' authority to require physical presence if a physician or PA is on a probationary or other conditional license. Therefore, the Committee may wish to amend the bill to clarify that physical presence can be required pursuant to a practice agreement and to disciplinary orders:

On page 4, lines 34-35, strike "surgeon." and insert:

(f) (1) "Supervision" means that a licensed physician and surgeon oversees the activities of, and accepts responsibility for, the medical services rendered by a

physician assistant. Supervision, as defined in this subdivision, shall not be construed to require the physical presence of the physician and ~~surgeon~~—*surgeon, but does require the following:*

(A) *Adherence to adequate supervision as agreed to in the practice agreement.*

(B) *The physician and surgeon be available by telephone or other electronic communication method at the time the PA examines the patient.*

(2) *Nothing in this subdivision shall be construed as prohibiting the board from requiring the physical presence of a physician and surgeon as a term or condition of a PA's reinstatement or probation.*

- 2) *Regulations.* The bill defines “regulations” throughout the PA Practice Act as the regulations read on June 7, 2019. According to the author and sponsors, this was a drafting error meant only to apply to the provisions relating to the pharmacology requirements. Therefore, the Committee may wish to amend the bill to delete the reference:

Page 4, lines 37-38, strike “Regulations, as those provisions read on June 7, 2019” and insert “Regulations.”:

(g) “Regulations” means the rules and regulations as set forth in Division 13.8 (commencing with Section 1399.500) of Title 16 of the California Code of Regulations, ~~as those provisions read on June 7, 2019.~~ *Regulations.*

- 3) *Organized Health Care Systems.* This bill authorizes organized health care systems to collaborate with physicians and surgeons in developing practice agreements. Because organized health care systems are not necessarily medical or other professional corporations allowed to practice medicine, the Committee may wish to amend the bill to clarify that organized health care systems must comply with corporate practice requirements under the Medical Practice Act:

On page 5, line 10, strike “services.” and insert: and is in compliance with Article 18 (commencing with Section 2400), of Chapter 5.”:

(j) “Organized health care system” includes a licensed clinic as described in Chapter 1 (commencing with Section 1200) of Division 2 of the Health and Safety Code, an outpatient setting as described in Chapter 1.3 (commencing with Section 1248) of Division 2 of the Health and Safety Code, a health facility as described in Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, a county medical facility as described in Chapter 2.5 (commencing with Section 1440) of Division 2 of the Health and Safety Code, an accountable care organization, a home health agency, a physician’s office, a professional medical corporation, a medical partnership, a medical foundation, and any other entity that lawfully provides ~~medical services.~~ *services and is in compliance with Article 18 (commencing with Section 2400), of Chapter 5.*

REGISTERED SUPPORT:

California Academy of PAs (sponsor)

America's Physician Groups
Association of California Healthcare Districts, and Affiliated Entity Alpha Fund
California Academy of Family Physicians
California Association for Health Services At Home
California Hospital Association
California Medical Association
California Psychiatric Association
Californiahealth+ Advocates
Medical Board of California

REGISTERED OPPOSITION:

California Chapter of the American College of Emergency Physicians (unless amended)
California Rheumatology Alliance (unless amended)
California Society of Plastic Surgeons
Physician Assistant Board (unless amended)
1 individual (unless amended)

Analysis Prepared by: Vincent Chee / B. & P. / (916) 319-3301

UNFINISHED BUSINESS

Bill No: SB 697
Author: Caballero (D), et al.
Amended: 9/3/19
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 8-0, 4/22/19
AYES: Glazer, Chang, Archuleta, Dodd, Galgiani, Hill, Leyva, Wilk
NO VOTE RECORDED: Pan

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/16/19
AYES: Portantino, Bates, Bradford, Hill, Jones, Wieckowski

SENATE FLOOR: 37-0, 5/23/19
AYES: Allen, Archuleta, Atkins, Bates, Beall, Borgeas, Bradford, Caballero, Chang, Dodd, Durazo, Galgiani, Glazer, Grove, Hertzberg, Hill, Hueso, Hurtado, Jackson, Jones, Leyva, McGuire, Mitchell, Monning, Moorlach, Morrell, Nielsen, Portantino, Roth, Rubio, Skinner, Stern, Stone, Umberg, Wieckowski, Wiener, Wilk
NO VOTE RECORDED: Pan

ASSEMBLY FLOOR: 79-0, 9/9/19 - See last page for vote

SUBJECT: Physician assistants: practice agreement: supervision

SOURCE: California Academy of PAs

DIGEST: This bill revises the way physician assistants are supervised by physicians, allowing multiple physicians and surgeons to supervise a physician assistant (PA); renames the supervision agreement from a delegation of services agreement (DSA) to a practice agreement; eliminates the statutory requirement of medical records review; generally allows supervising physician and surgeons to determine the appropriate level of supervision for PA practice; and makes other conforming and technical changes.

Assembly Amendments retain the ratio under current law of one to four for physician supervision of PAs; clarify that PAs can furnish or order a drug or device in accordance with the practice agreement, consistent with the PA's education and clinical training, and for Schedule II or III controlled substances, in accordance with the practice agreement or a patient-specific order approved by the treating or supervising physician and surgeon and; make various conforming and technical changes.

ANALYSIS:

Existing law:

- 1) Establishes the Physician Assistant Board (PAB), comprised of five PAs and four public members to establish standards and issue licenses of approval for programs for the education and training of PAs. (Business and Professions Code (BPC) Sections 3504)
- 2) Defines a DSA as the writing that delegates to a PA from a supervising physician the medical services the PA is authorized to perform. (BPC § 3501 (a)(10))
- 3) Authorizes a PA to perform medical services under the supervision of a physician and surgeon who must be physically available to the PA. (BPC § 3502 (a)(2))
- 4) Requires the PA and the PA's supervising physician and surgeon to establish written guidelines for adequate supervision and adhere to specific medical records review processes. (BPC § 3502 (c))
- 5) Limits a physician and surgeon to supervising up to four PAs at one time. (BPC § 3516 (b))

This bill:

- 1) Strikes references to a DSA and replaces it with "practice agreement," which means the writing, developed through collaboration among one or more physicians and surgeons and one or more PAs that outlines the medical services the PA is authorized to perform and that grants approval for physicians and surgeons to supervise one or more PAs.

- 2) Deletes various requirements related to supervision limitations, medical records reviews and meetings, and written guidelines, among other things.
- 3) Redrafts provisions of law relating to PA requirements, furnishing or ordering of drugs and devices, and the PAB's disciplinary authority in the context of the practice agreement.
- 4) Specifies requirements that must be outlined in a practice agreement including, supervision, competency, and other aspects of the PA and physician relationship.
- 5) Deems a DSA in effect prior to January 1, 2020 to meet the requirements of this bill.

Background

To become licensed in California, a PA must attend and graduate from an accredited PA program associated with a medical school that includes classroom studies and clinical experience. The professional curriculum for PA education includes basic medical, behavioral, and social sciences; introduction to clinical medicine and patient assessment; supervised clinical practice; and health policy and professional practice issues.

A PA is authorized to perform many of the same diagnostic, preventative, and health maintenance services as a physician. Under current law, these services are authorized under a contractual and statutory agreement called a delegation of services agreement (DSA). The DSA outlines everything the PA is allowed to do. In establishing a DSA, a supervising physician uses professional and clinical judgment to review the PAs competency to perform a variety of services. There are statutory requirements as to the number of case reviews and other protections that must be included in a DSA, and the supervising physician's license is subject to discipline for any patient harm resulting from a PA's practice if the physician does not perform the appropriate oversight.

However, according to the bill's sponsors, statutory limitations on case reviews and the single physician supervision model is overly burdensome and duplicative of other protections built in to the healthcare system, such as credentialing and privileging in organized health systems. To reduce those duplicative requirements, this bill eliminates the statutory requirements for administrative oversight by physicians and instead requires physicians and PAs to determine for themselves the appropriate level of supervision, with every licensee involved in a specific practice agreement subject to discipline for improper supervision.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Assembly Committee on Appropriations, this bill will result in minor and absorbable costs to the PAB.

SUPPORT: (Verified 9/9/19)

California Academy of PAs (source)
America's Physician Groups
Association of California Healthcare Districts, and Affiliated Entity Alpha Fund
California Academy of Family Physicians
California Association for Health Services At Home
California Hospital Association
California Medical Association
California Orthopedic Association
Californiahealth+ Advocates
Medical Board of California
Physician Assistant Board

OPPOSITION: (Verified 9/9/19)

California Chapter of the American College of Emergency Physicians
California Rheumatology Alliance
California Society of Plastic Surgeons

ARGUMENTS IN SUPPORT: Supporters note that PAs increase the reach of a medical practice. They are well-received by patients for their skill and care. PAs are the plentiful, youthful, and vital component of the California healthcare workforce for today and the future. Supporters state that by creating greater flexibility for the care team, this bill lays the ground work to guarantee that California continues to have the healthcare workforce it needs. Health centers, and other care settings, will be able to better utilize their full care team and make decisions that are right for their local needs.

According to the California Medical Association, “SB 697 allows for more autonomy to each medical practice as to their functional relationship with their physician assistants. We believe these administrative fixes will help to alleviate the burdens of working with physician assistants and increase the capacity of physicians and physician assistants to address critical access to care.”

ARGUMENTS IN OPPOSITION: The California Chapter of the American College of Emergency Physicians is opposed unless amended to a previous version of this bill. While many of the concerns were addressed in the latest set of amendments, they still note that "[this bill] would allow a PA in the ED to be supervised by a cardiologist who may have privileges in the emergency department to provide on-call cardiology services but is not privileged to provide the services of an emergency physician which are necessary to supervise the PA."

The California Society of Plastic Surgeons and the California Rheumatology Alliance were opposed unless amended to a previous version of this bill. While many of their concerns have been addressed in various amendments to this bill, they had asked for an additional amendment to the bill requiring physician review of PA medical records.

ASSEMBLY FLOOR: 79-0, 9/9/19

AYES: Aguiar-Curry, Arambula, Bauer-Kahan, Berman, Bigelow, Bloom, Boerner Horvath, Bonta, Brough, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Chu, Cooley, Cooper, Cunningham, Daly, Diep, Eggman, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Kiley, Lackey, Levine, Limón, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Melendez, Mullin, Muratsuchi, Nazarian, Obernolte, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Voepel, Waldron, Weber, Wicks, Wood, Rendon

Prepared by: Sarah Mason / B., P. & E.D. /
9/9/19 22:48:17

**** **END** ****