

Special Notice

Clarification Regarding Professional Liability Insurance for PACs

September, 2008

The State Board of Medicine has received numerous inquiries regarding the recent amendments to the law that requires Physician Assistants (PACs) to maintain professional liability insurance. On September 2, 2008, Act 45 of 2008 becomes effective and requires PACs to maintain professional liability insurance in order to maintain the PAC designation.

The law requires that PACs maintain professional liability insurance coverage of \$1 million per occurrence and \$3 million in annual aggregate.

Some confusion has arisen as to whether this insurance must be obtained by the PAC as an individual or whether PACs may continue to be covered under their employer's policy, under a group policy, or other shared risk policy. It has come to the attention of the Board that some PACs have been led to believe that they must obtain individual insurance policies in their own name and that their participation in group policies will be terminated.

The State Board of Medicine is charged with the responsibility of enforcing the insurance requirement through its disciplinary function. As such the Board has authority to ascertain for compliance purposes what forms of insurance coverage are acceptable. It is the view of the State Board of Medicine that the law was intended to increase access to quality health care by extending the role of the PAC and providing easier access to PACs by patients. Interpreting the insurance requirement in a manner that would be contrary to that objective is inconsistent with the purpose of the legislation.

Accordingly, the Board has determined that PACs whose employer maintains insurance coverage covering PACs as employees, officers, or agents, or who are covered under or participating in group insurance programs are in compliance with Act 48's professional liability insurance requirement and do not require individual policies or individual limits on a group policy.