



Board of Physicians

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Damean W. E. Freas, D.O., Chair

2021 SESSION POSITION PAPER

BILL NO: HB 1153
COMMITTEE: House Economic Matters
POSITION: Support

TITLE: Names of Entities with Physician Membership-Approval Requirement-Exemption

BILL ANALYSIS: HB 1153 creates an exception to the requirement that the Maryland Board of Physicians (the "Board") and the State Medical Society (MedChi) approve a professional corporate (PC) name.

POSITION AND RATIONALE: Under current law, unless a PC conducting business in the State consists of a majority of stockholders licensed, certified, or otherwise authorized to practice a health occupation under the Health Occupation Article, the PC is required to have the corporate name approved by the appropriate licensing unit, in this case, the Board. Upon receipt of the required application and fee, the Board must consult with and obtain the approval of the professional organization, if one exists, to which a majority of individuals in the State rendering the professional service belong, in this case, MedChi. In review of the proposed corporate name, MedChi must consider the profession's established ethical standards, rules, and regulations. If the Board and MedChi approve of the proposed corporate name, the Board is required to issue a certificate of authorization for use of a corporate name.

The Board has received very few requests to approve corporate names for PCs under the current law. To date, only two applications were received in Fiscal Year (FY) 20, and thus far in FY 21 the Board has approved only six applications. Other than the requirement for MedChi to review established ethical standards, rules, and regulations, there is no criteria, qualification, or standards for the Board's review, disqualification, or denial.

The process outlined in HB 1153 allows the Board to appropriately utilize the existing disciplinary process and options in the event the Board receives an allegation of the use of an improper or misleading name. The Board licenses individual licensees, not entities, thus the approval of a PC entity name is not in the Board's mission. The State Department of Assessments and Taxation (SDAT) is the entity that maintains a database of PCs available for review in the course of an organization researching the ability to use a potential name. As the entity that would have the most current information on PCs, SDAT is the more appropriate entity to be responsible for approval of PC names with the Board able to act, when appropriate.

The Board supports HB 1153 and requests a favorable report.

For more information, please contact Wynnee Hawk, Manager, Policy and Legislation, Maryland Board of Physicians, 410-764-3786.

The opinion of the Board expressed in this document does not necessarily reflect that of the Maryland Department of Health or the Administration.