Legislative Analysis

Phone: (517) 373-8080
http://www.house.mi.gov/hfa

Analysis available at
http://www.legislature.mi.gov

PHYSICAL THERAPY LICENSURE COMPACT

House Bill 4101 as enacted
Public Act 42 of 2026
Sponsor: Rep. Matt Bierlein

Senate Bill 501 as enacted
Public Act 40 of 2026
Sponsor: Sen. Sylvia A. Santana

1st House Committee: Health Policy
2nd House Committee (HB 4101): Rules
Senate Committee: Health Policy
Complete to 8-10-26

SUMMARY:

House Bill 4101 and Senate Bill 501 together amend the Public Health Code to enter Michigan into the Physical Therapy Licensure Compact (PTLC), which allows physical therapists to practice physical therapy in states that are parties to the compact without having to be licensed in each individual state.[1] (A compact is like a contract between states that they enter into by enacting its provisions as law.) House Bill 4101 makes Michigan a party to the PTLC, and Senate Bill 501 makes related changes to the code's physical therapy licensure provisions. The bills will take effect January 22, 2028 (18 months after being signed into law).

House Bill 4101 adds section 16187a to the Public Health Code to enter Michigan into the PTLC, which is included in full in the bill and described briefly below.

Article 1: Purpose
The PTLC states that its purpose is to facilitate interstate practice of physical therapy with a goal of improving access, while preserving the regulatory authority of states to protect health and safety through their current systems of licensure.

Article 2: Definitions
This article defines 22 terms that pertain to the execution of the duties outlined in the PTLC. Notably, ***compact privilege*** is defined as the authorization (equivalent to a license) granted by a state to allow a licensee from another member state to practice as a physical therapist or work as a physical therapist assistant in the *remote state* under its laws and rules. The practice of physical therapy is considered to occur in the member state where the patient or client is located at the time of the encounter.

Article 3: State participation in the compact
To participate in the PTLC, a state must do all of the following:

- Comply with the rules of the Physical Therapy Compact Commission.
- Use a recognized national examination as a requirement for licensure.

[1] https://ptcompact.org/

- Have continuing competence requirements as a condition of license renewal.
- Participate fully in the commission's data system, including using the commission's unique identifier. (The data system is described below.)
- Have a mechanism in place for receiving and investigating complaints about licensees.
- Notify the commission, as provided in the PTLC and rules, of any adverse action or the availability of investigative information regarding a licensee.
- Fully implement a criminal background check requirement by receiving the results of the FBI criminal background check and using the results to make licensure decisions.

Additionally, upon adoption of the bill, Michigan would have the authority to obtain biometric-based information from physical therapy licensure applicants and submit this information to the Federal Bureau of Investigation (FBI) for a criminal background check.

A member state must grant the compact privilege to an individual who holds a valid unencumbered licenses in another member state and may charge a fee for granting it.

Article 4: Compact privilege

To exercise the compact privilege under the PTLC, a licensee must do all of the following:

- Hold a license in the *home state*.
- Have no encumbrance on any state license.
- Be eligible for compact privilege in any member state.
- Have not had any adverse action against any license or compact privilege within the previous two years.
- Notify the commission that the licensee is seeking the compact privilege in a remote state.
- Pay any applicable fees, including any state fee, for the compact privilege.
- Meet any jurisprudence requirements established by the remote state in which the licensee is seeking a compact privilege.
- Report to the commission adverse action taken by any non-member state within 30 days after that action.

To maintain the compact privilege, a licensee must comply with the requirements above. The compact privilege is valid until the expiration date of the home license.

The licensee must function within the laws and regulations of the remote state and is subject to that state's regulatory authority. The remote state may remove a licensee's compact privilege, impose fines, or take any other necessary actions to protect its citizens.

If a licensee's *home* state license is encumbered, the licensee *must* lose the compact privilege in remote states until the home state license is no longer encumbered and two years have passed from the date of the adverse action. Then, the licensee must meet the requirements listed above for obtaining the compact privilege in any remote state.

If a licensee's compact privilege in any *remote* state is removed, the licensee *must* lose privilege in remote states until the time for removal has passed, all fines are paid, and two years have passed from the date of the adverse action. Then, the licensee must meet the requirements listed above for obtaining the compact privilege in any remote state.

Article 5: Active duty military personnel or their spouses

An active duty military licensee or their spouse could designate the home of record, permanent change of station (PCS), or state of current residence as the home state.

Article 6: Adverse actions

Under the compact, a home state has the exclusive power to impose adverse actions against a physical therapy license issued by the home state and may also take adverse actions based on the investigative information of a remote state, using its own procedures. A member state may still participate in an alternative program in lieu of adverse action. A remote state may take adverse actions against a licensee's compact privilege in the state and issue subpoenas. A party state must enforce subpoenas issued by a physical therapy licensing board for attendance and testimony of witnesses or production of evidence from another party state.

Member states may participate in joint investigations against a licensee and must share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation under the compact.

Article 7: Physical Therapy Compact Commission

The compact creates a commission composed of one delegate from each member state, each of whom is a current member of that state's licensing board as well as a physical therapist, physical therapist assistant, public member, or the board administrator. According to rules specified in the compact, the commission must meet at least annually and establish bylaws and uniform rules, maintain financial records, take actions to further the compact and bylaws, and prosecute legal actions (without affecting the standing of individual state physical therapy licensing boards to sue or be sued), in addition to other responsibilities.

A nine-member executive board, composed of seven elected members of the commission, a member of a national physical therapy professional association, and a member from the recognized membership organization of the physical therapy licensing boards, can act on behalf of the commission.

The compact provides that all commission meetings must be open to the public, with public notice of the meetings. However, the commission or executive board may convene in closed nonpublic meetings if they must discuss noncompliance of a member state; employment, compensation, or discipline related to specific employees; current or prospective litigation; or other specified sensitive topics.

Further, the compact prescribes the allowable payments of expenses, receipt of money, and assessments levied on member states. The commission must keep accurate accounts of all receipts and disbursements, which are subject to an annual audit.

The compact also specifies the individual and collective liability of members of the commission.

Article 8: Data system

The commission must develop, maintain, and use a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensees in member states. Member states must submit the identifying information, licensure data, adverse actions

taken, and other information regarding all licensees. The compact must specify the sharing of this information, including adverse actions.

Article 9: Rulemaking

The commission must exercise its rulemaking powers, with rules or amendments to the rules adopted at regular or special meetings and notice given at least 30 days before consideration of the rule. A public hearing must convened before adopting a rule or amendment if that hearing is requested by at least 25 individuals, a state or federal governmental subdivision or agency, or an association that has at least 25 members. The commission then takes final action on the proposed rule by a majority vote of all members.

If a majority of the legislatures of the member states reject a rule (by enactment of a statute or resolution in the same manner used to adopt the compact) within four years of the rule's adoption, the rule has no further force and effect.

Article 10: Oversight, dispute resolution, and enforcement

State officials must enforce the compact and take necessary actions to effectuate its purposes and intent. The compact and the rules promulgated under it have standing as statutory law.

If the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under the compact, it must provide notice of the default and any actions to be taken to all member states. A defaulting state may be terminated from the compact as a last resort upon a majority vote of the member states. The defaulting state may then appeal that action by petitioning the U.S. District Court for Washington, D.C., or the applicable federal district. The commission also must promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

Article 11: Implementation date, withdrawal, and amendment

The compact comes into effect once it is enacted into law in the tenth member state, and the compact provisions take effect at that time. Any state that joins the compact subsequently is subject to the rules as they exist on the date the compact becomes law in that state. A member state may withdraw from the compact by enacting a statute to repeal it, with the withdrawal taking effect six months after the repealing statute. The compact can be amended by the member states, and no amendment to the compact is effective and binding on any member state until enacted into the laws of all member states.

Article 12: Construction and severability

The compact provisions are severable, and if any part of it is held invalid, the remainder of the compact and its applicability is not affected.

Proposed MCL 333.16187a

Senate Bill 501 amends the physical therapy provisions of the Public Health Code to authorize individuals who hold a compact privilege under the PTLC to practice physical therapy or as a physical therapist assistant in Michigan. Currently, only individuals licensed in Michigan may do so. For purposes of Article 15 (Occupations), an individual holding a compact privilege under the PTLC would be considered a licensed physical therapist or physical therapist assistant. An individual seeking to hold a compact privilege under the PTLC must pay a fee of $90 per year.

The bill also requires the Michigan Board of Physical Therapy to select the director of LARA as the state's delegate to the PTLC Commission.

MCL 333.16335, 333.17801, and 333.17821 and proposed MCL 333.17820a and 333.17820b

BACKGROUND:

Taken together, the bills are substantively identical to House Bill 4504 and Senate Bill 1168 of the 2023-24 legislative session, which were passed by their respective chambers. The bills are also substantively identical to Senate Bill 18 of the 2021-22 legislative session, which was passed by the Senate and reported from the House Committee on Health Policy.

As of August 2026, 40 states and the District of Columbia have either become member states in the PTLC or have enacted legislation to do so.[2]

Michigan is currently a member of two other interstate health licensure portability compacts, the Psychology Interjurisdictional Compact and the Interstate Medical Licensure Compact (which applies to doctors).[3]

Other recently proposed interstate health licensure portability compacts include the Nurse Licensure Compact,[4] the Physician Assistant Licensure Compact,[5] and the Occupational Therapy Licensure Compact.[6]

BRIEF DISCUSSION:

Supporters argued that allowing physical therapists to work more easily in multiple states (or simply a state other than the one they live in) could help to generally improve patient access to medical services, relieve health care staffing shortages (which have been especially acute since the COVID-19 pandemic), promote public protection in the form of shared background checks and disciplinary information, facilitate flexibility in light of the increasing use of telehealth services, streamline regulations, and allow for greater mobility for these health professionals (including, for example, the spouses of military service members). The added flexibility afforded by licensure compacts is often especially welcome in communities near state borders. No testimony opposing the bills was presented in House committee.

---

[2] https://ptcompact.org/compact-map/ The full member states are Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin. The District of Columbia is also a full member. The states that have enacted legislation but are not yet full members are Maine, Michigan, and Rhode Island.

[3] https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-333-16190

[4] https://www.legislature.mi.gov/Bills/Bill?ObjectName=2019-HB-4042 This bill was vetoed by the governor.

[5] https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4309 This bill was enacted as Public Act 45 of 2026 and takes effect October 20, 2026.

[6] https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4103 This bill was enacted as Public Act 43 of 2026 and takes effect January 22, 2028.

FISCAL IMPACT:

House Bill 4101 and Senate Bill 501 could have a significant fiscal impact on the Department of Licensing and Regulatory Affairs, although a precise estimate of the magnitude of the impact is currently unavailable. Under House Bill 4101, LARA would incur costs for investigating complaints against licensees and for the general administration and implementation of the compact's requirements; such costs would include any incurred expenses for integrating Michigan's current data system with the compact commission's data system. The Physical Therapy Compact Commission could also levy an annual assessment on Michigan (such an assessment is levied on all compact members) to cover the costs of the commission's activities and operations. The magnitude of the costs is presently unknown, as LARA indicated that the cost would be dependent on the volume of compact licensees that practice within Michigan. The state would also face liabilities if it defaulted on the compact.

The bills would allow LARA to recover some of its costs, namely via fines on licensees related to adverse disciplinary action and cost recovery related to investigations and dispositions of adverse action cases. Senate Bill 501 would require LARA to collect an annual fee of $90 from individuals seeking to hold compact privilege under the physical therapy licensure compact. The amount of revenue collected would depend on the volume of individuals choosing to practice under the compact. It is unclear how revenues under the bills would compare to the costs that LARA and the state would incur.

Furthermore, LARA indicated that traditional licensure revenues in the state would likely decline, as out-of-state licensees would be able to practice via the compact, instead of securing licensure through the state.

Legislative Analysts: Rick Yuille
Leah Doemer
Fiscal Analyst: Una Jakupovic

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.