

## RESOLUTION 23-07A

**Title:** Business Ownership of Radiology Practices

**Introduced by:** Richard M. Chesbrough, MD, for the Oakland County Delegation  
Supported by the Michigan Radiological Society and the  
Michigan Society of Therapeutic Radiologists and Oncologists

**Original Author:** Richard M. Chesbrough, MD

**Referred to:** Reference Committee B

**House Action:** Adopted

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Whereas, radiology (diagnostic and therapeutic) is a specialized branch of medicine, utilizing dangerous ionizing radiation and potentially life-threatening intravenous contrast agents, as well as requiring the development of specialized imaging policies, procedures and protocols, and

Whereas, radiology requires state-licensed medical equipment and authorized medical devices to perform complex imaging examinations and/or treatments on patients, as well as the hiring and credentialing of licensed/accredited technologists in the fields of radiography (X-ray), nuclear medicine, CT, MRI, radiation therapy, and ultrasound, and the hiring and/or contracting of physicians specializing in radiology, and of representing oneself to the public and referring physician community as a bona fide medical practice, and

Whereas, the Michigan Attorney General Opinion #6592 of July 10, 1989, regarding the Business Corporation Act, 1972 PA 284, MCL 450.1101 et seq, mandates that a domestic corporation formed under the Business Corporation Act may not engage in activities which may only be performed by one of the “learned professions,” such as law, medicine and divinity, and

Whereas, a Michigan-based corporation performing professional services must be incorporated as a professional service corporation, under the Professional Service Corporation Act, 1962 PA 192, MCL 450.221, MSA 21.315 (1) et seq, which defines a corporation that must be organized under this act as one which is organized for the purposes of rendering one or more professional services and to which requires, as a condition precedent to the rendering of the service, the obtaining of a license or other legal authorization, and

**Whereas, the Office of the Attorney General has ruled in OAG, 1979-1980, No 5676, p 700, 701 (April 8, 1980) that “laymen are not permitted, directly or indirectly by virtue of a corporate structure, to practice medicine, that confidential and professional relationships existing between physicians and patients could be destroyed by lay shareholders interested only in profit, that the “learned profession doctrine” dictates that the limited liability of a business corporation is not appropriate in medicine, where patients must place a high degree of trust and confidence in the physician, and that it is not a lawful purpose of a corporation to contract with other persons to provide medical care through officers, agents or employees of the corporation; therefore be it**

**RESOLVED: That MSMS urge Governor Granholm and the Michigan legislature to enforce existing laws regarding the Corporate Practice of Medicine; and be it further**

**RESOLVED: That MSMS request the State Attorney General to pursue civil and criminal penalties against non-licensed individuals and corporations illegally practicing medicine in violation of Attorney General Ruling OAG 1979-1980, No. 5676, p 700, 701 (April 8, 1980).**

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**WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE**