How California AB 1501 Affects Physician Assistants

December 4, 2025
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California AB 1501 is a new law that directly affects how Physician Assistants (PAs) practice, tightening supervision rules, reshaping scope-of-practice requirements, and increasing compliance expectations for healthcare organizations. It matters because it changes how clinics, medical groups, MSOs, and businesses structure their operational and contractual relationships with PAs. It creates both new obligations and potential legal risks if not handled correctly.

In this post, you'll learn what AB 1501 is, how it impacts Physician Assistants, what it means for healthcare organizations and MSOs, and the steps businesses should take now to stay compliant.

What Is California AB 1501?

California AB 1501 is an assembly bill that updates and clarifies various statutory provisions governing physician assistants, physicians and surgeons, and Doctors of Podiatric Medicine. The bill provides a definition and background for multiple regulatory updates, including how the Medical Practice Act, Physician Assistant Practice Act, and Professions Code reference licensing, fees, and cross-agency procedures.

In terms of legislative history, AB 1501 was introduced to correct outdated cross-references, streamline administrative processes within the Medical Board of California, Podiatric Medical Board, and Physician Assistant Board, and support future policy discussions involving allied health professionals, physician associates, and PA practice. Lawmakers proposed it to modernize statutory language, reduce confusion, and ensure that procedures established under existing law accurately align with the responsibilities of the Department of Consumer Affairs and its boards subject to these updates.

AB 1501 changes parts of the California Medical Practice Act to make the rules about license renewal fees, endorsement fees, and application fees clearer, while also fixing problems like how duplicate renewal receipts and wall certificates are handled, and how initial license fees are paid. It also aligns the Podiatric Medical Practice Act with updated terminology around the certificate to practice podiatric medicine, ensuring that podiatrists and PAs follow current statutory procedures.

This revision is important for physicians, PAs, and podiatrists because it affects how they comply with licensing timelines, respond to credentialing organization verification requests, structure practice agreements, and operate within designated practice settings. The updates ultimately help regulate physician assistants and podiatrists more clearly and support accessible health care across California.

What Are the Key Provisions of AB 1501?

California AB 1501 provides a detailed summary of administrative and regulatory updates affecting multiple boards, including revisions to biennial license renewal fee requirements, biennial renewal fee timing, and the way a physician assistant license

expires under existing law. **It explains the rules for submitting renewal applications, lists the fees for getting a duplicate renewal receipt, changes the fees for endorsements, and updates how applicants can pass certain exams from physician assistant or podiatric training programs.** The bill also clarifies which parts of the Business and Professions Code apply to each board and corrects cross-references that previously caused procedural inconsistencies.

Reporting requirements include improved documentation steps for renewal applications submitted in electronic form, a specification of the duplicate certificate or duplicate wall certificate process, and updated terminology for credential verification and insurance reimbursement structure references. Restrictions and obligations involve maintaining current practice agreement structures, meeting deadlines for renewal fee submission, and ensuring compliance with medical practice and podiatric medicine regulations. Examples of activities covered include submitting the above-described renewal applications, managing fees applicable to PA and podiatric licenses, meeting continuing compliance obligations for practicing podiatric medicine, and ensuring that provisions render accurate implementation across health professions.

How Does AB 1501 Affect Managed Service Organizations (MSOs)?

Management Service Organizations (MSOs) play a major role in California healthcare by supporting physicians, PAs, and podiatrists in administrative areas such as billing, compliance, contracting, and operational infrastructure. **While AB 1501 does not directly regulate MSOs, it influences how MSOs structure services around licensing, credentialing, physician assistant practice oversight, and compliance with the Medical Practice Act applicable to supervising physicians and ancillary providers**. Because MSOs often help with onboarding clinicians, maintaining practice agreements, and verifying that statutory provisions establish procedures for compliance, updates in AB 1501 can change how MSOs manage documentation, renewal cycles, and reporting for PAs and podiatrists.

Operational impacts include ensuring correct handling of initial license fee data, updating renewal tracking to reflect the revised biennial renewal fee schedule, supporting practices with duplicate renewal receipt requests, and aligning MSO processes with updated Business and Professions Code language. MSOs must also ensure that practice agreement structures stay compliant with regulations on in-home health evaluations, medical practice settings, and supervision requirements under existing law that authorizes and regulates physician assistants.

Example scenarios:

- A clinic using an MSO fails to update its PA onboarding workflow to match the new AB 1501 verification steps. This will result in a compliance gap.
- An MSO correctly updates its license-tracking software to reflect updated expiration timelines and renewal fee requirements. This ensures seamless compliance for both PAs and podiatrists.
- A podiatric group supported by an MSO submits an outdated duplicate certificate form. Under AB 1501, this must now be handled electronically in alignment with updated procedures.

How Does AB 1501 Change PA Supervision Ratios?

Under the previous law, a supervising physician and surgeon could oversee no more than 4 physician assistants at one time, a limit defined within the Physician Assistant Practice Act and related Business and Professions Code provisions. **California AB 1501 updates this rule by increasing the allowable supervision ratio to 8 PAs per supervising physician, aligning with evolving practice needs and supporting more accessible health care across clinical settings.**

This expanded ratio affects practice agreements, workflow structures, and how clinics organize PA practice across various medical practice settings, including podiatric practices when PAs support Doctors of Podiatric Medicine under legally permissible arrangements. With more PAs linked to each supervising physician, clinics must ensure that their practice agreement structures, electronic supervision documentation, and credentialing organization verification processes are all updated to meet existing law as amended by AB 1501.

These changes matter for clinics, MSOs, and healthcare facilities because they allow more efficient staffing models, reduce

bottlenecks in patient care, and support expanded use of allied health professionals. At the same time, facilities must maintain compliance with the revised supervision standards established by the Medical Board of California, the Physician Assistant Board, and any applicable provisions regulating podiatrists or ancillary providers. Ultimately, the new ratio enhances capacity, but only if organizations update their internal policies and workflows accordingly.

How Are Physician Assistant Training Programs Affected?

Under prior statutory provisions, the Physician Assistant Board had direct oversight over certain aspects of physician assistant training programs, including approval processes, specified fees, and regulatory requirements tied to PA education. Existing law required these training programs to meet board-established standards, pay endorsement fees or application fee amounts when applicable, and follow procedures that aligned with regulatory guidelines within the Professions Code.

California AB 1501 removes several of these approval and fee requirements, eliminating outdated or duplicative obligations and clarifying that the Board no longer regulates these educational programs in the same manner. The bill also repeals unnecessary cross-references and provisions establishing fees that no longer serve administrative or policy needs, simplifying how training programs interface with the Board and the Department of Consumer Affairs.

For PA educational institutions, these changes make it easier to handle paperwork, simplify processes, and give some responsibilities back to accrediting bodies instead of state boards that follow older rules. For trainees, the adjustments may mean a clearer, more direct pathway toward meeting examination requirements, completing clinical training, and applying for a physician assistant license without navigating outdated approval processes. The restructuring also helps inform future policy discussions about modernizing PA education while maintaining consistent training standards across the state.

What Are the New PA License Fees Under AB 1501?

California AB 1501 updates various fees for physician assistant licenses, replacing outdated statutory amounts with a new, standardized fee schedule. **Under the new law, the application fee increases from $25 to $60, the initial license fee remains $250, and the biennial license renewal fee stays at $300. The law also raises the delinquency fee from $25 to $75 and increases the cost for letters of endorsement, verification, or good standing from $10 to $50**, all now listed as specified fees under the Physician Assistant Board within the Business and Professions Code.

AB 1501 further grants the Board expanded authority to increase fees in the future, with statutory ceilings allowing the application fee to rise up to $80 and both the initial license fee and renewal fee to increase up to $500 if necessary. These changes help cover the administrative costs required by current laws and make sure that physician assistants are properly regulated as healthcare professionals under the Medical Practice Act and Physician Assistant Practice Act.

Practically, PAs and employers should budget for the higher upfront and processing fees, plan renewals proactively to avoid the increased $75 delinquency fee, and update internal compliance workflows. MSOs, credentialing teams, and clinics should also adjust onboarding procedures, insurance reimbursement structure documentation, and renewal-tracking systems to match the new fee schedule.

How Has the PA License Renewal Process Changed?

AB 1501 introduces procedural updates to the process for renewing physician assistant licenses, including expanded use of electronic forms or other Board-approved forms for renewal applications. This updates existing law, which previously relied on more rigid filing methods and did not clearly authorize the use of electronic submission formats within the Physician Assistant Board.

A key change is the requirement that PA renewal applications include a legal verification under penalty of perjury, confirming that all information is true and complete. This aligns the PA renewal process with verification standards applied under the Medical Practice Act applicable to physicians and surgeons, increasing consistency across allied health professions and reducing ambiguity in statutory provisions.

These updates simplify the renewal process by reducing paperwork, improving processing times, and helping ensure more accurate compliance documentation. At the same time, applicants must take the verification requirement seriously, as submitting incorrect information now creates a clearer enforcement pathway under the Business and Professions Code. Overall, AB 1501 aims to make PA renewals more efficient while strengthening accountability across all practice settings.

How Does AB 1501 Affect Podiatric Medicine?

AB 1501 introduces several updates to podiatric medicine, including modernized terminology, such as replacing outdated references to a "podiatric surgeon" with clearer language consistent with the Business and Professions Code. The bill also updates how Doctors of Podiatric Medicine (DPMs) are classified for reimbursement and practice status, ensuring that podiatric medicine shall align more closely with terminology used across the Medical Practice Act and related regulations. California AB 1501 removes older restrictions on maintaining certain exam records, correcting provisions establishing how the Podiatric Medical Board stores or receives examination results.

The bill additionally adjusts fees related to podiatric certificates, such as duplicate certificates, duplicate renewal receipts, and endorsement fees, ensuring that applicable costs are consistent with other boards under the Department of Consumer Affairs. These updates simplify administrative processes for DPMs and help ensure that statutory provisions establish procedures that reflect current podiatric practice, training, and credentialing needs.

What Other Changes Does AB 1501 Introduce for PAs and Podiatrists?

California AB 1501 includes a broad range of technical corrections and cross-reference updates within both the Medical Practice Act and the Physician Assistant Practice Act, ensuring that references to PA practice, podiatric medicine, and supervising physicians are accurate and internally consistent. The bill supports a comprehensive review of practice agreement structures, replacing obsolete language, clarifying oversight responsibilities, and updating statutory provisions that regulate physician assistants and podiatrists across varying practice settings.

It also reflects ongoing collaboration between the Legislature, the Medical Board of California, the Physician Assistant Board, and the Podiatric Medical Board, with the goal of improving clarity, addressing outdated statutory language, and informing future policy discussions. AB 1501 also includes updates related to state costs, including provisions that address when the state must reimburse local agencies or school districts for mandated expenses, though the bill concludes that certain updates impose no state-mandated program. These changes collectively streamline compliance for allied health professionals, support accessible health care, and modernize the structure of California law governing medical practice, podiatric medicine, and PA practice.

What Do PAs and Physicians Need to Do to Comply?

To comply with AB 1501, physician assistants, supervising physicians and surgeons, and clinics must first **review the updated supervision ratios**, which now allow physicians to supervise up to eight PAs instead of four, and update their practice agreements accordingly. Medical groups, MSOs, and podiatric practices must also **fully integrate all new Board guidelines into their administrative workflow.**

Clinics should **consult experienced healthcare attorneys** to ensure that practice agreement structures, documentation requirements, and renewal procedures comply with the amended Medical Practice Act and Physician Assistant Practice Act. Physicians, PAs, and podiatrists must stay updated on ongoing board revisions related to AB 1501's technical corrections and future policy discussions.

Don't Risk Non-Compliance – Our Experts Can Assist

AB 1501 introduces sweeping updates affecting physician assistants, podiatrists, physicians, MSOs, and healthcare organizations across California. The law changes how clinical teams work and how healthcare businesses follow the rules by introducing new fees, licensing steps, supervision ratios, practice agreement requirements, and updates to the Medical Practice Act. **With so many cross-reference changes, administrative updates, and Board-driven enforcement shifts,**

it’s essential for providers to ensure their policies, agreements, and procedures reflect current law.

FAQs About California AB 1501

AB 1501 introduces several regulatory changes that impact physician assistants, podiatrists, physicians, MSOs, and healthcare organizations across California. These FAQs address the most common questions providers have as they navigate the new requirements.

When Do The New PA Fee Changes Under AB 1501 Take Effect?

The new fees become effective once the Physician Assistant Board formally updates and publishes its revised fee schedule under the authority granted by AB 1501. Until then, clinics should prepare for the new pricing and adjust budgeting and onboarding processes accordingly.

How Does California AB 1501 Affect PA Supervision Ratios?

AB 1501 increases the number of physician assistants a supervising physician may oversee from four to eight. This expanded ratio requires clinics to update practice agreements and ensure workflow systems reflect the new supervision limit.

Does California AB 1501 Change How Podiatrists Are Classified For Reimbursement or Licensure?

Yes, AB 1501 updates terminology and classification references for Doctors of Podiatric Medicine to improve alignment with medical and reimbursement structures. It also removes outdated exam-related restrictions and clarifies certain certificate fee requirements.

Do MSOs Need To Change Their Compliance Processes Because of AB 1501?

MSOs may need to update onboarding, documentation, and renewal systems to reflect the revised PA licensure fees, supervision rules, and administrative requirements. Ensuring internal compliance now helps prevent errors once enforcement of the new standards begins.