

ADVOCACY NEWS

Keeping you informed from Washington, D.C.

September 23, 2026

Federal Bill Proposes National Corporate Practice of Medicine Framework

Last week, **Sens. Elizabeth Warren (D-MA), Ron Wyden (D-OR), and Jeff Merkley (D-OR), and Reps. Val Hoyle (D-OR), Alexandria Ocasio-Cortez (D-NY), and Suhas Subramanyam (D-VA)** introduced the [Stop Corporate Takeovers of Physicians Act](#), which would establish a national corporate practice of medicine (CPOM) framework by generally prohibiting private equity funds, insurers, and other for-profit entities from owning or controlling medical practices unless the entity is majority-owned by licensed clinicians and governed by a clinician-controlled board. The bill would also bar use of “friendly” or “captive” physician agreements and restrict management services organizations’ (MSOs) control over core clinical, financial, and operational functions; require physician owners to be licensed, present, and substantially engaged in care in the state where the practice operates; and render most noncompete, nondisclosure, and non-disparagement agreements unenforceable. This would be enforced by the Federal Trade Commission (FTC), state attorneys general, and private litigants, while exempting nonprofit and public providers, hospitals, hospital-affiliated clinics, critical access hospitals, and rural emergency hospitals.

In May 2026, FSMB’s House of Delegates adopted [Oversight of Clinical Decision Making](#), model guidance for state medical boards and licensees on protecting patient safety and physicians’ independent clinical judgment amid corporate, financial, and other external pressures. Among its recommendations, the policy calls on boards in CPOM jurisdictions to strengthen oversight of improper corporate influence; clarify clinical-independence standards; promote meaningful physician ownership and involvement; address restrictive contractual provisions and retaliation; and support physicians’ duty to advocate for patients and report unsafe interference.

Please [contact us](#) if you have any questions!



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Pending Legislation of Interest

Artificial Intelligence

The [Federal Artificial Intelligence Risk Management Act of 2026 \(H.R. 8819\)](#), introduced by **Rep. Ted Lieu (D-CA)**, would require the National Institute of Standards and Technology, in consultation with other Federal agencies, to develop minimum standards, guidelines, and best practices for AI systems used by Federal agencies and their contractors, and to manage risks associated with trustworthiness, authenticating, provenance, and labeling AI-generated content.

The [Frontier Risk Oversight, National Transparency, Independent Evaluation, and Reporting \(FRONTIER\) Act \(H.R. 9925\)](#), introduced by **Reps. Jay Obernolte (R-CA) and Lori Trahan (D-MA)**, would establish federal oversight of frontier AI models in interstate and foreign commerce to reduce catastrophic risks. The bill directs the Under Secretary of Commerce for AI Security to set minimum framework requirements and require large frontier-AI developers to publicly post, implement, and update compliant risk-management frameworks when models are materially changed or transferred. The bill would also create civil penalties and regulate independent verification organizations through licensing, conflict-of-interest, funding-transparency, and reporting requirements.

Reimbursement

The [Patients First Act of 2026 \(H.R. 9693\)](#), introduced by **Rep. John Joyce (R-PA)**, would reform Medicare physician payment by establishing a hybrid payment model for certain primary care services, tying annual fee-schedule updates more closely to inflation, and revising quality incentives by replacing the Merit-based Incentive Payment System (MIPS) with the Patient Outcome Improvement National Tabulation System (POINTS). The bill also creates a Quality Reform Task Force and adds care-efficiency measures to the program.

The [Provider Reimbursement Stability Act \(H.R. 8163\)](#), introduced by **Rep. Greg Murphy (R-NC)**, would update Medicare physician fee schedule budget-neutrality rules to reduce payment volatility, raising the spending threshold that triggers adjustments, and periodically indexing it for inflation. The bill would also require CMS to make specified corrections based on actual spending and limit year-to-year variation in certain payment adjustments.

Regulatory News

Administration Appointments

On September 17, **Dept. of Health and Human Services (HHS) Secretary Robert F. Kennedy, Jr.** [announced](#) eight new members of the **U.S. Preventive Services Task Force (USPSTF)**, a group of experts that recommends which drugs and screenings should be offered to certain populations and decides which medical tests and treatments are preventive and fully covered by insurers under most insurance plans.

Graduate Medical Education

On September 8, **HHS' Office for Civil Rights (OCR)** [announced](#) that it had found that Duke School of Medicine "intentionally discriminated against white and Asian applicants by using race and race-revealing proxies in its admissions practices." Duke may sign a voluntary resolution agreement, or the investigation could be referred to the Dept. of Justice. At least [15 medical schools](#) have been or are being investigated for their admissions decisions.

Prescribing Practices

On September 8, Definium Therapeutics, a psychedelic-focused biotech company, [announced](#) that the **Food and Drug Administration** had granted breakthrough therapy designation for DT120, its investigational LSD oral tablet, for major depressive disorder. Drugs in early development can earn the designation when they show promise in clinical trial data. In April 2026, the Trump Administration issued an [executive order](#) that directed federal agencies to boost research efforts in psychedelic therapies.

Judicial News

International Medical Graduates

On September 14, a federal judge [temporarily blocked](#) the **Trump Administration** from replacing the longstanding "duration of status" framework for international students and exchange visitors with fixed admission periods, including a general four-year cap for F and J visa holders, one day before the DHS [rule](#) – issued in July – was to take effect. Roughly 17,000 international physicians train in U.S. residency and fellowship programs each year, and about 10 percent of U.S. resident physicians were [sponsored under J visas](#) in 2023.

Other News

International Medical Graduates

On September 7, America First Legal filed a [petition for rulemaking](#) asking the **Dept. of State** to amend the regulations governing the J-1 visa for physicians, which allow IMGs to participate in U.S. graduate medical education. Specifically, the petition asks:

- To replace Educational Commission for Foreign Medical Graduates' (ECFMG) designation as the sole J-1 physician sponsor with a multiple-sponsor model;
- Prohibit issuance of a Form DS-2019 – necessary to prove eligibility for a J-1 visa – for a J-1 physician until a residency position remains unfilled following the primary Match; and

- Require residency programs to demonstrate efforts to recruit qualified U.S. medical graduates before J-1 sponsorship would be available.

A petition for rulemaking is a formal mechanism through which an individual or organization can ask a federal agency to issue, amend, or repeal a regulation. However, filing a petition does not itself initiate a rulemaking or change existing regulations.



Legislation Signed into Law

Additional Licensure Pathways

California SB 1311 – Enacted and effective September 14, reauthorizes the Licensed Physicians from Mexico Program, which permits up to 30 qualified physicians licensed and in good standing in Mexico in family medicine, internal medicine, pediatrics, or obstetrics and gynecology to receive a nonrenewable, three-year license from the Medical Board of California to work at participating nonprofit community health centers. The law retroactively allows applications from October 1, 2025, to July 1, 2026, and authorizes the Board to accept up to 15 applications between July 1, 2026, and January 1, 2028.

Pending Legislation of Interest

Board Structure & Function

New Jersey A 5404 – Shifts the oversight of midwives from the Board of Medical Examiners to the newly created Board of Midwifery.

New Jersey A 5466 – Authorizes podiatric physicians to supervise PAs and expands the Board of Medical Examiners' PA Advisory Committee to include a podiatric physician.

Licensure Compacts

Pennsylvania HB 2774 – Enacts the PA Licensure Compact, as well as the Social Work Licensure Compact, the Dentist and Dental Hygienist Compact, and the Audiology & Speech-Language-Hearing Interstate Compact.

Prescribing Practices

New Jersey A 5464 – Authorizes physicians to perform stem cell therapy that is not FDA-approved, so long as the therapy is within the physician's scope of practice; relates to pain management, wound care, or orthopedics; and stem cells are manufactured and stored in a facility registered and regulated by the FDA. Physicians must provide notice to patients and obtain informed consent prior to the provision of treatment, and the Board of Medical Examiners is authorized to discipline violators.

Telemedicine

New Jersey A 5534 – Allows providers to conduct a subsequent visit for patients prescribed a schedule II substance for ADHD via telemedicine.

Regulatory News

Prescribing Practices

The **Montana Dept. of Public Health and Human Services** finalized a **rule**, effective July 25, to implement a **2025 law** amending the state's Right to Try Act and establishing licensure requirements for experimental treatment centers. These centers may provide medical interventions involving investigational drugs, biological products, devices, or other treatments that has successfully completed Phase 1 clinical testing but have not yet received FDA approval for general use. The rules require Montana-licensed medical leadership; informed-consent, recordkeeping, and safety and infection-control procedures; hospital-transfer arrangements; and independent review of proposed experimental treatments. They also require reporting of serious adverse events within five days and annual reporting to the state, establish additional safeguards for investigational medical devices, and allow limited treatment outside a licensed center only after approval from an independent review board.

FSMB Legislative Trackers

FSMB maintains free, live legislative trackers for topics impacting medical regulation and the practice of medicine: [artificial intelligence](#), [board authority](#), [board structure and function](#), [continuing medical education](#), [gender-affirming care](#), [IMGs](#), [internationally trained physicians](#), [licensure compacts](#), [license portability](#), [occupational licensing reform](#), [physician sexual misconduct](#), [prescribing practices](#), [reproductive care](#), and [telemedicine](#).

Contact

If you have questions regarding specific legislation, please contact **John Bremer**, Managing Director, Advocacy and Policy, at jbrem@fsmb.org, or by phone at (202) 463-4021; or **Andrew Smith**, Manager, Legislation and Policy, at asmith@fsmb.org or by phone at (202) 463-2002.

This email is not intended as an exhaustive or comprehensive statement of the law on this topic. It does not constitute legal advice. Non-cited laws, regulation, and/or policies could impact analysis on a case-by-case or state-by-state basis. All information should be verified independently, as these areas of law change rapidly and there is no guarantee that the information presented reflects the current state of law and policy. If you have any questions about the contents of this document, please contact FSMB staff.



Resources for Regulators

- [Resources for FSMB Members](#)
- [Pathway to Medical Licensure in the U.S.](#)
- [Journal of Medical Regulation](#)



Meetings & Events

April 15-17, 2027: FSMB Annual Meeting, Oklahoma City, Oklahoma

[more meetings & events](#)

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