

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH80236-LT-107 (3/29)

Short Title: Physical Therapists/Professional Corporations. (Public)

Sponsors: Representatives Weiss and Insko (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO DEFINE PHYSICAL THERAPY AS A PROFESSIONAL SERVICE UNDER THE PROFESSIONAL CORPORATION ACT, TO AUTHORIZE THE NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS TO DISCIPLINE PERSONS FOR PAYING FOR REFERRALS OF PHYSICAL THERAPY PATIENTS, AND TO PREVENT CORPORATE OR BUSINESS INTERESTS FROM INTERFERING WITH PROFESSIONAL PHYSICAL THERAPY JUDGMENTS CONCERNING THE BEST INTERESTS OF PATIENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 55B-2(6) reads as rewritten:

"(6) The term "professional service" means any type of personal or professional service of the public which requires as a condition precedent to the rendering of such service the obtaining of a license from a licensing board as herein defined, and pursuant to the following provisions of the General Statutes: Chapter 83A, "Architects"; Chapter 84, "Attorneys-at-Law"; Chapter 93, "Public Accountants"; and the following Articles in Chapter 90: Article 1, "Practice of Medicine," Article 2, "Dentistry," Article 6, "Optometry," Article 7, "Osteopathy," Article 8, "Chiropractic," Article 9A, "Nursing Practice Act," with regard to registered nurses, Article 11, "Veterinarians," Article 12A, "Podiatrists," Article 18A, "Practicing Psychologists," Article 18B, "Physical Therapy," Article 18C, "Marriage and Family Therapy Licensure," Article 18D, "Occupational Therapy," Article 22, "Licensure Act for Speech and Language Pathologists and Audiologists," and Article 24, "Licensed Professional Counselors"; Chapter 89C, "Engineering and Land Surveying"; Chapter 89A,

1 "Landscape Architects"; Chapter 90B, "Social Worker Certification
2 and Licensure Act" with regard to Licensed Clinical Social Workers as
3 defined by G.S. 90B-3; Chapter 89E, "Geologists"; Chapter 89B,
4 "Foresters"; and Chapter 89F, "North Carolina Soil Scientist Licensing
5 Act".

6 **SECTION 2.** G.S. 90-270.26 is amended to add a new subdivision to read:

7 "(7a) Regulate physical therapy professional corporations pursuant to
8 Chapter 55B of the General Statutes and this Article, including
9 adopting rules for the registration of physical therapy professional
10 corporations."

11 **SECTION 3.** Article 18B of Chapter 90 of the General Statutes is amended
12 by adding a new section to read:

13 **"§ 90-270.31.1. Physical therapy professional corporations.**

14 The Board shall not issue a certification to a professional corporation pursuant to
15 G.S. 55B-6 for the transfer of stock to an individual who is not licensed under this
16 Article unless the individual presents evidence satisfactory to the Board that the laws
17 governing or regulating physical therapy practices and professional corporations in the
18 jurisdiction where the individual is duly licensed and performs physical therapy
19 professional services are equivalent to, or require a higher standard than, the provisions
20 of this Article and Chapter 55B of the General Statutes."

21 **SECTION 4.** G.S. 90-270.35 is amended by adding a new subdivision to
22 read:

23 "(4a) Practice physical therapy and make physical therapy patient treatment
24 decisions based on corporate or business standards or parameters
25 rather than on the best interest of the patient in the physical therapist's
26 sound professional judgment;"

27 **SECTION 5.** G.S. 90-270.36 is amended by adding a new subdivision to
28 read:

29 "(6a) Violation of G.S. 90-401 by financially compensating or rewarding
30 another person, firm, or corporation for recommending, arranging, or
31 securing employment by a patient."

32 **SECTION 6.** This act becomes effective January 1, 2006, and applies to acts
33 occurring or offenses committed on or after that date.