

SENATE BILL NO. 168—SENATOR AMODEI

MARCH 9, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing practice of physical therapy. (BDR 54-720)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: No.

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EXPLANATION – Matter in **bolded italics** is new; matter between brackets **[omitted material]** is material to be omitted.

AN ACT relating to physical therapy; prohibiting a person who is not licensed as a physical therapist or a physical therapist's assistant from owning or controlling a physical therapy practice or sharing in any revenue generated by a physical therapy practice; authorizing the State Board of Physical Therapy Examiners to take disciplinary action against a physical therapist or a physical therapist's assistant who gives or receives money from a person who refers a patient to the therapist or assistant; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the State Board of Physical Therapy Examiners to license qualified physical therapists and physical therapist's assistants. (NRS 640.050, 640.169, 640.300)

This bill prohibits a person who is not licensed as a physical therapist or physical therapist's assistant under Chapter 640 of NRS from owning or controlling a physical therapy practice or sharing in any revenue generated by the practice. A person who violates this provision is guilty of a misdemeanor.

Existing law establishes the grounds for disciplining a person who is licensed as a physical therapist or physical therapist's assistant under Chapter 640 of NRS. (NRS 640.160)

This bill provides an additional ground that prohibits a physical therapist or physical therapist's assistant from giving to or receiving money or other form of consideration from a person who refers a patient to his physical therapy practice.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 640 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2, a person who is not licensed under the provisions of this chapter shall not:

(a) Own or control a physical therapy practice; or

(b) Share in any fees, profits, revenue or other remuneration received by a physical therapist or physical therapist's assistant or generated through the professional services provided by a physical therapy practice.

2. The provisions of this section do not prohibit persons holding valid licenses issued pursuant to this chapter from practicing physical therapy in partnership under a partnership agreement or in a corporation or an association authorized by law, or pooling, sharing, dividing or apportioning the fees and money received by them or by the partnership, corporation or association in accordance with the partnership agreement or the policies of the board of directors or managing body of the corporation or association. Such an agreement or policy may include, without limitation, a provision for dividing fees or revenue to defray the operating costs of the partnership, corporation or association.

3. A person who willfully violates any provision of this section is guilty of a misdemeanor.

Sec. 2. NRS 640.160 is hereby amended to read as follows:

640.160 1. The Board, after notice and hearing, and upon any ground enumerated in subsection 2, may take one or more of the following actions:

(a) Refuse to issue a license or temporary license to any applicant.

(b) Refuse to renew the license or temporary license of any person.

(c) Suspend or revoke the license or temporary license of any person.

(d) Place any person who has been issued a license or temporary license on probation.

(e) Impose an administrative fine which does not exceed \$5,000 on any person who has been issued a license.

2. The Board may take action pursuant to subsection 1 if an applicant or person who has been licensed pursuant to this chapter:

(a) Is habitually drunk or is addicted to the use of a controlled substance.



(b) Has been convicted of violating any state or federal law relating to controlled substances.

(c) Is, in the judgment of the Board, guilty of immoral or unprofessional conduct.

(d) Has been convicted of any crime involving moral turpitude.

(e) Has been convicted of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive.

(f) Is guilty, in the judgment of the Board, of gross negligence in his practice as a physical therapist which may be evidenced by claims of malpractice settled against a practitioner.

(g) Has obtained or attempted to obtain a license by fraud or material misrepresentation.

(h) Has been declared insane by a court of competent jurisdiction and has not thereafter been lawfully declared sane.

(i) Has entered into any contract or arrangement which provides for the payment of an unearned fee to any person following his referral of a patient.

(j) *Has directly or indirectly given to or received from another person any fee, commission, discount, rebate, refund, assignment of money or any other form of compensation for referring a patient to a physical therapy practice with which he is associated, or has directly or indirectly given to or received from a relative or business associate of that person any form of compensation for the referral.*

(k) Has employed as a physical therapist any unlicensed physical therapist or physical therapist whose license has been suspended.

~~(k)~~ (l) Has had his license to practice physical therapy suspended, revoked or in any way limited by another jurisdiction.

~~(l)~~ (m) Is determined to be professionally incompetent by the Board.

~~(m)~~ (n) Has violated any provision of this chapter or the Board's regulations.



