

SENATE BILL NO. 163—SENATOR FARLEY

PREFILED FEBRUARY 13, 2017

JOINT SPONSOR: ASSEMBLYMAN ARAUJO

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to professional entities.
(BDR 7-632)

FISCAL NOTE: Effect on Local Government: No.
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 professional entities; prohibiting owners of certain professional entities from engaging in certain acts relating to the professional services provided by persons engaged in the practice of medicine, homeopathic medicine, osteopathic medicine or psychology; revising provisions governing the formation of professional entities to provide specific types of professional services; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that a professional entity may be organized only for the purpose of rendering one specific type of professional service. Existing law also provides certain exceptions to the requirement that a professional entity only provide one type of professional service. (NRS 89.050) **Section 2** of this bill expands the exception of forming a professional entity for the provision of services relating to medicine, homeopathy and osteopathy to include services relating to the practice of psychology. Such a professional entity may be composed of persons engaged in the practice of medicine, homeopathic medicine, osteopathic medicine and psychology. **Section 1** of this bill prohibits an owner of such a professional entity from engaging in certain acts relating to the professional services provided by persons engaged in those professions, including an act that interferes with the professional judgment of such persons.



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

Section 1. Chapter 89 of NRS is hereby amended by adding thereto a new section to read as follows:

An owner of a professional entity organized pursuant to paragraph (b) of subsection 2 of NRS 89.050 shall not:

1. Create a policy or contract, written or otherwise, to restrict or prohibit the good faith communication between a patient and a person licensed pursuant to chapter 630, 630A, 633 or 641 of NRS, concerning the patient's medical records, health care, risks or benefits of such health care or treatment options.

2. Influence or interfere with the professional judgment of a person licensed pursuant to chapter 630, 630A, 633 or 641 of NRS, including, without limitation, the professional judgment of such a person concerning:

(a) The care of a patient;

(b) The custodian of the medical records of a patient;

(c) Employment decisions, including hiring or terminating an employee; or

(d) Coding or billing procedures.

3. Terminate a contract or refuse to renew a contract with a person licensed pursuant to 630, 630A, 633 or 641 of NRS because the person:

(a) Advocates on behalf of a patient in private or public;

(b) Assists a patient in seeking reconsideration of a denial of coverage of health care services; or

(c) Reports a violation of law to an appropriate authority.

4. Require a person licensed pursuant to chapter 630, 630A, 633 or 641 of NRS to:

(a) Provide professional services to a specified number of patients within a particular amount of time; or

(b) Work a certain number of hours in a specified period of time.

5. Require a person licensed pursuant to chapter 630, 630A, 633 or 641 of NRS to obtain the approval or review of a contract by a third party, including, without limitation, a provider of insurance.

Sec. 2. NRS 89.050 is hereby amended to read as follows:

89.050 1. Except as otherwise provided in subsection 2, a professional entity may be organized only for the purpose of rendering one specific type of professional service and may not engage in any business other than rendering the professional service for which it was organized and services reasonably related thereto, except that a professional entity may own real and personal property



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1 appropriate to its business and may invest its money in any form of
2 real property, securities or any other type of investment.

3 2. A professional entity may be organized to render a
4 professional service relating to:

5 (a) Architecture, interior design, residential design, engineering
6 and landscape architecture, or any combination thereof, and may be
7 composed of persons:

8 (1) Engaged in the practice of architecture as provided in
9 chapter 623 of NRS;

10 (2) Practicing as a registered interior designer as provided in
11 chapter 623 of NRS;

12 (3) Engaged in the practice of residential design as provided
13 in chapter 623 of NRS;

14 (4) Engaged in the practice of landscape architecture as
15 provided in chapter 623A of NRS; and

16 (5) Engaged in the practice of professional engineering as
17 provided in chapter 625 of NRS.

18 (b) Medicine, homeopathy, ~~and~~ osteopathy ~~and~~ *psychology, or any combination thereof*, and may be composed of
19 persons engaged in the practice of ~~medicine~~ :

20 (1) *Medicine* as provided in chapter 630 of NRS ~~persons~~
21 ~~engaged in the practice of homeopathy~~ ;

22 (2) *Homeopathic* medicine as provided in chapter 630A of
23 NRS ~~and persons engaged in the practice of osteopathy~~ ;

24 (3) *Osteopathic* medicine as provided in chapter 633 of NRS
25 ~~and~~ ; and

26 (4) *Psychology and licensed to provide services pursuant to*
27 *chapter 641 of NRS.*

28 ➔ Such a professional entity may market and manage additional
29 professional entities which are organized to render a professional
30 service relating to medicine, homeopathy, ~~and~~ osteopathy ~~and~~ *psychology.*
31

32 (c) Mental health services, and may be composed of the
33 following persons, in any number and in any combination:

34 (1) Any psychologist who is licensed to practice in this State;

35 (2) Any social worker who holds a master's degree in social
36 work and who is licensed by this State as a clinical social worker;

37 (3) Any registered nurse who is licensed to practice
38 professional nursing in this State and who holds a master's degree in
39 the field of psychiatric nursing;

40 (4) Any marriage and family therapist who is licensed by this
41 State pursuant to chapter 641A of NRS; and

42 (5) Any clinical professional counselor who is licensed by
43 this State pursuant to chapter 641A of NRS.
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- 1 ➤ Such a professional entity may market and manage additional
2 professional entities which are organized to render a professional
3 service relating to mental health services pursuant to this paragraph.
4 3. A professional entity may render a professional service only
5 through its officers, managers and employees who are licensed or
6 otherwise authorized by law to render the professional service.

