

SENATE BILL NO. 436—COMMITTEE ON JUDICIARY

MARCH 25, 2019

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to professional entities.  
(BDR 7-1147)

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; authorizing professional entities to provide professional services relating to the practice of chiropractic under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law provides that a professional entity may be organized for the purpose of rendering only one specific type of professional service, except under certain circumstances. Existing law provides that one such exception is the formation of a professional entity composed of persons engaged in rendering more than one type of professional service for the provision of services relating to medicine, homeopathy, osteopathy and psychology. (NRS 89.050) **Section 1** of this bill expands this exception to include services relating to the practice of chiropractic.

Existing law prohibits an owner of such a professional entity rendering professional services relating to medicine, homeopathy, osteopathy or psychology from engaging in certain conduct concerning the professional entity. (NRS 89.055) **Section 2** of this bill prohibits a licensed person who renders any such professional service relating to medicine, homeopathy, osteopathy, chiropractic or psychology through the professional entity from: (1) rendering the professional service, if the service exceeds the scope of the person's licensed authority; and (2) influencing or interfering with the professional judgment of another licensed person who renders any such professional service through the same professional entity.



\* S B 4 3 6 R 1 \*

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

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

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

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

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

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

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

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

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

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

(1) Medicine as provided in chapter 630 of NRS;

(2) Homeopathic medicine as provided in chapter 630A of NRS;

(3) Osteopathic medicine as provided in chapter 633 of NRS;

*(4) Chiropractic as provided in chapter 634 of NRS; and*

~~[(4)]~~ (5) Psychology and licensed to provide services pursuant to chapter 641 of NRS.

➤ Such a professional entity may market and manage additional professional entities which are organized to render a professional service relating to medicine, homeopathy, osteopathy, *chiropractic* and psychology.

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

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



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

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

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

(5) Any clinical professional counselor who is licensed by this State pursuant to chapter 641A of NRS.

➤ Such a professional entity may market and manage additional professional entities which are organized to render a professional service relating to mental health services pursuant to this paragraph.

3. A professional entity may render a professional service only through its officers, managers and employees who are licensed or otherwise authorized by law to render the professional service.

**Sec. 2.** NRS 89.055 is hereby amended to read as follows:

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

~~[(a)]~~ (a) 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 , 634 or 641 of NRS, concerning the patient's medical records, health care, risks or benefits of such health care or treatment options.

~~[(2)]~~ (b) Influence or interfere with the professional judgment of a person licensed pursuant to chapter 630, 630A, 633 , 634 or 641 of NRS, including, without limitation, the professional judgment of such a person concerning:

~~[(a)]~~ (1) The care of a patient;

~~[(b)]~~ (2) The custodian of the medical records of a patient;

~~[(e)]~~ (3) Employment decisions, including hiring or terminating an employee; or

~~[(d)]~~ (4) Coding or billing procedures.

~~[(3)]~~ (c) Terminate a contract or refuse to renew a contract with a person licensed pursuant to chapter 630, 630A, 633 , 634 or 641 of NRS because the person:

~~[(a)]~~ (1) Advocates on behalf of a patient in private or public;

~~[(b)]~~ (2) Assists a patient in seeking reconsideration of a denial of coverage of health care services; or

~~[(e)]~~ (3) Reports a violation of law to an appropriate authority.

~~[(4)]~~ (d) Require a person licensed pursuant to chapter 630, 630A, 633 , 634 or 641 of NRS to:

~~[(a)]~~ (1) Provide professional services to a specified number of patients within a particular amount of time; or

~~[(b)]~~ (2) Work a certain number of hours in a specified period of time.



1 ~~15.1~~ (e) Require a person licensed pursuant to chapter 630,  
2 630A, 633, ~~634~~ or 641 of NRS to obtain the approval or review of a  
3 contract by a third party, including, without limitation, a provider of  
4 insurance.

5 2. A person licensed pursuant to chapter 630, 630A, 633, 634  
6 or 641 of NRS who renders a professional service through a  
7 professional entity organized pursuant to paragraph (b) of  
8 subsection 2 of NRS 89.050 shall not:

9 (a) Render such a professional service if the service exceeds  
10 the scope of his or her licensed authority pursuant to chapter 630,  
11 630A, 633, 634 or 641 of NRS; and

12 (b) Through the use of an agreement, directive, financial  
13 incentive or any other arrangement, influence or interfere with the  
14 professional judgment of another person licensed pursuant to  
15 chapter 630, 630A, 633, 634 or 641 of NRS who renders a  
16 professional service through the same professional entity.

