

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**HOUSE BILL 1194  
Committee Substitute Favorable 4/19/05**

Short Title: Physical Therapists/Professional Corporations.

(Public)

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Sponsors:

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Referred to:

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April 12, 2005

A BILL TO BE ENTITLED

1  
2 AN ACT TO DEFINE PHYSICAL THERAPY AS A PROFESSIONAL SERVICE  
3 UNDER THE PROFESSIONAL CORPORATION ACT, TO AUTHORIZE THE  
4 NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS TO  
5 DISCIPLINE PERSONS FOR PAYING FOR REFERRALS OF PHYSICAL  
6 THERAPY PATIENTS, AND TO PREVENT CORPORATE OR BUSINESS  
7 INTERESTS FROM INTERFERING WITH PROFESSIONAL PHYSICAL  
8 THERAPY JUDGMENTS CONCERNING THE BEST INTERESTS OF  
9 PATIENTS.

10 The General Assembly of North Carolina enacts:

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

12 "(6) The term "professional service" means any type of personal or  
13 professional service of the public which requires as a condition  
14 precedent to the rendering of such service the obtaining of a license  
15 from a licensing board as herein defined, and pursuant to the following  
16 provisions of the General Statutes: Chapter 83A, "Architects"; Chapter  
17 84, "Attorneys-at-Law"; Chapter 93, "Public Accountants"; and the  
18 following Articles in Chapter 90: Article 1, "Practice of Medicine,"  
19 Article 2, "Dentistry," Article 6, "Optometry," Article 7, "Osteopathy,"  
20 Article 8, "Chiropractic," Article 9A, "Nursing Practice Act," with  
21 regard to registered nurses, Article 11, "Veterinarians," Article 12A,  
22 "Podiatrists," Article 18A, "Practicing Psychologists," Article 18B,  
23 "Physical Therapy," Article 18C, "Marriage and Family Therapy  
24 Licensure," Article 18D, "Occupational Therapy," Article 22,  
25 "Licensure Act for Speech and Language Pathologists and  
26 Audiologists," and Article 24, "Licensed Professional Counselors";  
27 Chapter 89C, "Engineering and Land Surveying"; Chapter 89A,  
28 "Landscape Architects"; Chapter 90B, "Social Worker Certification  
29 and Licensure Act" with regard to Licensed Clinical Social Workers as

1 defined by G.S. 90B-3; Chapter 89E, "Geologists"; Chapter 89B,  
2 "Foresters"; and Chapter 89F, "North Carolina Soil Scientist Licensing  
3 Act".

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

5 "(7a) Regulate physical therapy professional corporations pursuant to  
6 Chapter 55B of the General Statutes and this Article, including  
7 adopting rules for the registration of physical therapy professional  
8 corporations."

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

11 **"§ 90-270.31A. Physical therapy professional corporations.**

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

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

21 "(4a) Practice physical therapy and make physical therapy patient treatment  
22 decisions based on corporate or business standards or parameters  
23 rather than on the best interest of the patient in the physical therapist's  
24 sound professional judgment;".

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

27 "(6a) Violation of G.S. 90-401 by financially compensating or rewarding  
28 another person, firm, or corporation for recommending, arranging, or  
29 securing employment by a patient."

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