

Employment of a Physical Therapist by a Professional (Medical) Corporation

Mobile Surgical Labs
and a Lab on
Advanced Ultrasound
Techniques along with
a Cadaver Lab on
MSK Injections

To be presented at COA's
2012 Annual Meeting/
QME Course

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Park Hyatt Aviara
Carlsbad, CA
(North San Diego County)

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COA, along with the California Medical Association and other organizations, have been working to clarify that medical corporations may employ physical or occupational therapists. The California Physical Therapy Association (CPTA) has been adamantly opposed to this clarification unless it is tied to allowing patients to seek care directly from a physical therapist without a referral. SB 924 has been amended to address both of these issues and is currently pending in the Assembly. **COA is making every effort to reach agreement on this issue this year and we are encouraged that Senate President pro Tempore Darrell Steinberg and Senator Curren Price, Chair of the Senate Business, Professions & Economic Development Committee have signed on as co-authors of the bill.**

However, with this uncertainty, health care attorneys representing medical corporations, have also been exploring other structural alternatives for a medical corporation to be able to continue to offer physical medicine services as a part of their integrated health care system. The below summary of structural alternatives was prepared by the Calton Law Group and the law firm of Carlson & Jaykumar. The summary is provided to you for your information.

Working with (or without) a Physical Therapist: Structural Alternatives for the Professional Corporation

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Introduction

Over the past 20 or more years, it has been commonly accepted that a medical corporation in California could employ a physical therapist. There are literally hundreds of medical practices which employ one or more physical therapists. But in September of 2010, the Legislative Counsel Bureau issued an opinion which narrowly interpreted the California Corporations Code and concluded that a physical therapist cannot be employed by a medical corporation.¹

Corporations Code, §13401.5 provides that the following individuals may be shareholders, officers, directors or professional employees of a medical corporation:

- (1) Licensed physicians and surgeons.
- (2) Licensed doctors of podiatric medicine.
- (3) Licensed psychologists.
- (4) Registered nurses.
- (5) Licensed optometrists.
- (6) Licensed marriage and family therapists.
- (7) Licensed clinical social workers.
- (8) Licensed physician assistants.
- (9) Licensed chiropractors.
- (10) Licensed acupuncturists.
- (11) Naturopathic doctors.

¹ http://ptbc.ca.gov/forms_pubs/opinion_ptemployment.pdf