

**First Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 05-0342.01 Christy Chase

HOUSE BILL 05-1016

HOUSE SPONSORSHIP

White,

SENATE SPONSORSHIP

(None),

House Committees

Health and Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN EXEMPTION FROM THE PROHIBITION AGAINST THE**
102 **CORPORATE PRACTICE OF PHYSICAL THERAPY FOR PHYSICAL**
103 **THERAPISTS ENGAGED IN THE PRACTICE OF PHYSICAL THERAPY**
104 **IN A HEALTH CARE AGENCY.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Specifies that employment of physical therapists in hospitals or other health care agencies or practice by a physical therapist in a clinic with other health care providers is not the corporate practice of physical therapy if:

The employment is evidenced by a written agreement

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

indicating that the employment relationship cannot affect the physical therapist's independent judgment;
The physical therapist's independent judgment is not affected by the relationship; and
The physical therapist is not required to exclusively refer patients to a specific provider or supplier or take action not in the patient's best interest.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 12-41-124 (5), Colorado Revised Statutes, is
3 amended to read:

4 **12-41-124. Professional service corporations, limited liability**
5 **companies, and registered limited liability partnerships for the**
6 **practice of physical therapy - definitions.** (5) (a) Except as provided
7 in this section, corporations shall not practice physical therapy.

8 (b) EMPLOYMENT OF PHYSICAL THERAPISTS BY [REDACTED] A LICENSED
9 HOSPITAL, LICENSED SKILLED NURSING FACILITY, CERTIFIED HOME HEALTH
10 AGENCY, CERTIFIED COMPREHENSIVE OUTPATIENT REHABILITATION
11 FACILITY, AUTHORIZED HEALTH MAINTENANCE ORGANIZATION,
12 ACCREDITED EDUCATIONAL ENTITY, OR OTHER ENTITY WHOLLY OWNED
13 AND OPERATED BY ANY GOVERNMENTAL UNIT OR AGENCY SHALL NOT BE
14 CONSIDERED THE CORPORATE PRACTICE OF PHYSICAL THERAPY IF:

15 (I) THE RELATIONSHIP CREATED BY THE EMPLOYMENT DOES NOT
16 AFFECT THE ABILITY OF THE PHYSICAL THERAPIST TO EXERCISE HIS OR HER
17 INDEPENDENT JUDGMENT IN THE PRACTICE OF THE PROFESSION;

18 (II) THE PHYSICAL THERAPIST'S INDEPENDENT JUDGMENT IN THE
19 PRACTICE OF THE PROFESSION IS IN FACT UNAFFECTED BY THE
20 RELATIONSHIP; [REDACTED]

21 (III) THE POLICIES OF THE ENTITY EMPLOYING THE PHYSICAL
22 THERAPIST CONTAIN A PROCEDURE BY WHICH COMPLAINTS BY A PHYSICAL

1 THERAPIST ALLEGING A VIOLATION OF THIS PARAGRAPH (b) MAY BE HEARD
2 AND RESOLVED.

3 (IV) THE PHYSICAL THERAPIST IS NOT REQUIRED TO EXCLUSIVELY
4 REFER ANY PATIENT TO A PARTICULAR PROVIDER OR SUPPLIER; EXCEPT
5 THAT NOTHING IN THIS SUBPARAGRAPH (IV) SHALL BE CONSTRUED TO
6 INVALIDATE THE POLICY PROVISIONS OF A HEALTH BENEFIT PLAN BETWEEN
7 EITHER A CARRIER AND THE PHYSICAL THERAPIST OR A CARRIER AND A
8 COVERED PERSON; AND

9 (V) THE PHYSICAL THERAPIST IS NOT REQUIRED TO TAKE ANY
10 OTHER ACTION HE OR SHE DETERMINES NOT TO BE IN THE PATIENT'S BEST
11 INTEREST.

12 (c) NOTHING IN THIS SUBSECTION (5) SHALL PRECLUDE A PHYSICAL
13 THERAPIST OR A PATIENT FROM SEEKING OTHER REMEDIES AVAILABLE TO
14 THE PHYSICAL THERAPIST OR TO THE PATIENT AT LAW OR IN EQUITY.

15 (d) THE PROVISIONS OF PARAGRAPH (b) OF THIS SUBSECTION (5)
16 SHALL APPLY TO PROFESSIONAL SERVICE CORPORATIONS, LIMITED
17 LIABILITY COMPANIES, AND REGISTERED LIMITED LIABILITY PARTNERSHIPS
18 FORMED FOR THE PRACTICE OF PHYSICAL THERAPY IN ACCORDANCE WITH
19 THIS SECTION REGARDLESS OF THE DATE OF FORMATION OF THE ENTITY.

20 **SECTION 2.** 12-41-124 (6), Colorado Revised Statutes, is
21 amended BY THE ADDITION OF THE FOLLOWING NEW
22 PARAGRAPHS to read:

23 **12-41-124. Professional service corporations, limited liability**
24 **companies, and registered limited liability partnerships for the**
25 **practice of physical therapy - definitions.** (6) As used in this section,
26 unless the context otherwise requires:

27 (a.5) "CARRIER" SHALL HAVE THE SAME MEANING AS SET FORTH IN

1 SECTION 10-16-102 (8), C.R.S.

2 (d.3) "HEALTH BENEFIT PLAN" SHALL HAVE THE SAME MEANING AS
3 SET FORTH IN SECTION 10-16-102 (21), C.R.S.

4 **SECTION 3. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.