

By: Gallegos

S.B. No. 1419

A BILL TO BE ENTITLED

AN ACT

relating to the authority of chiropractors to form certain business entities with certain other professionals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsections C and D, Article 2.01, Texas Non-Profit Corporation Act (Article 1396-2.01, Vernon's Texas Civil Statutes), are amended to read as follows:

C. Doctors of medicine and osteopathy licensed by the Texas State Board of Medical Examiners, ~~and~~ podiatrists licensed by the Texas State Board of Podiatric Medical Examiners, and chiropractors licensed by the Texas Board of Chiropractic Examiners may organize a non-profit corporation under this Act that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within the scope of practice of those practitioners and consists of:

(1) carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field;

(2) supporting medical education in medical schools through grants or scholarships;

(3) developing the capabilities of individuals or institutions studying, teaching, or practicing medicine, including podiatric medicine;

(4) delivering health care to the public; or

1 (5) instructing the public regarding medical science,
2 public health, hygiene, or a related matter.

3 D. When doctors of medicine, osteopathy, ~~and~~ podiatry,
4 and chiropractic organize a non-profit corporation that is jointly
5 owned by those practitioners, the authority of each of the
6 practitioners is limited by the scope of practice of the respective
7 practitioners and none can exercise control over the other's
8 clinical authority granted by their respective licenses, either
9 through agreements, articles of incorporation, bylaws, directives,
10 financial incentives, or other arrangements that would assert
11 control over treatment decisions made by the practitioner. The
12 Texas State Board of Medical Examiners, ~~and~~ the Texas State Board
13 of Podiatric Medical Examiners, and the Texas Board of Chiropractic
14 Examiners continue to exercise regulatory authority over their
15 respective licenses.

16 SECTION 2. Subsection (B), Section 2, Texas Professional
17 Association Act (Article 1528f, Vernon's Texas Civil Statutes), is
18 amended to read as follows:

19 (B) Licenses. (1) Except as provided by this subsection,
20 all members of the association shall be licensed to perform the type
21 of professional service for which the association is formed.

22 (2) Doctors of medicine and osteopathy licensed by the
23 Texas State Board of Medical Examiners, ~~and~~ podiatrists licensed
24 by the Texas State Board of Podiatric Medical Examiners, and
25 chiropractors licensed by the Texas Board of Chiropractic Examiners
26 may form an association that is jointly owned by those
27 practitioners to perform a professional service that falls within

1 the scope of practice of those practitioners.

2 (3) Professionals, other than physicians, engaged in
3 related mental health fields such as psychology, clinical social
4 work, licensed professional counseling, and licensed marriage and
5 family therapy may form an association that is jointly owned by
6 those practitioners to perform professional services that fall
7 within the scope of practice of those practitioners.

8 (4) When doctors of medicine, osteopathy, ~~and~~
9 podiatry, and chiropractic, or mental health professionals form an
10 association that is jointly owned by those practitioners, the
11 authority of each of the practitioners is limited by the scope of
12 practice of the respective practitioners and none can exercise
13 control over the other's clinical authority granted by their
14 respective licenses, either through agreements, bylaws,
15 directives, financial incentives, or other arrangements that would
16 assert control over treatment decisions made by the practitioner.
17 The state agencies exercising regulatory control over professions
18 to which this subdivision applies continue to exercise regulatory
19 authority over their respective licenses.

20 SECTION 3. Subsection (3), Section A, Article 11.01, Texas
21 Limited Liability Company Act (Article 1528n, Vernon's Texas Civil
22 Statutes), is amended to read as follows:

23 (3) Doctors of medicine and osteopathy licensed by the
24 Texas State Board of Medical Examiners, ~~and~~
25 by the Texas State Board of Podiatric Medical Examiners, and
26 chiropractors licensed by the Texas Board of Chiropractic Examiners
27 may organize a professional limited liability company that is

1 jointly owned by those practitioners to perform a professional
2 service that falls within the scope of practice of those
3 practitioners. When doctors of medicine, osteopathy, ~~and~~
4 podiatry, and chiropractic organize a professional limited
5 liability company that is jointly owned by those practitioners, the
6 authority of each of the practitioners is limited by the scope of
7 practice of the respective practitioners and none can exercise
8 control over the other's clinical authority granted by their
9 respective licenses, either through agreements, bylaws,
10 directives, financial incentives, or other arrangements that would
11 assert control over treatment decisions made by the practitioner.
12 The Texas State Board of Medical Examiners, ~~and~~ the Texas State
13 Board of Podiatric Medical Examiners, and the Texas Board of
14 Chiropractic Examiners continue to exercise regulatory authority
15 over their respective licenses.

16 SECTION 4. Subsection (e), Section 2.02, Texas Revised
17 Partnership Act (Article 6132b-2.02, Vernon's Texas Civil
18 Statutes), is amended to read as follows:

19 (e) Authority of Doctors of Medicine, ~~and~~ Osteopathy, and
20 Chiropractic and Podiatrists to Create Partnership. Doctors of
21 medicine and osteopathy licensed by the Texas State Board of
22 Medical Examiners, ~~and~~ podiatrists licensed by the Texas State
23 Board of Podiatric Medical Examiners, and chiropractors licensed by
24 the Texas Board of Chiropractic Examiners may create a partnership
25 that is jointly owned by those practitioners to perform a
26 professional service that falls within the scope of practice of
27 those practitioners. When doctors of medicine, osteopathy, ~~and~~

1 podiatry, and chiropractic create a partnership that is jointly
2 owned by those practitioners, the authority of each of the
3 practitioners is limited by the scope of practice of the respective
4 practitioners and none can exercise control over the other's
5 clinical authority granted by their respective licenses, either
6 through agreements, bylaws, directives, financial incentives, or
7 other arrangements that would assert control over treatment
8 decisions made by the practitioner. The Texas State Board of
9 Medical Examiners, ~~and~~ the Texas State Board of Podiatric Medical
10 Examiners, and the Texas Board of Chiropractic Examiners continue
11 to exercise regulatory authority over their respective licenses.

12 SECTION 5. This Act takes effect September 1, 2005.