

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Tullis**

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO PROHIBIT REFERRALS TO PHYSICAL THERAPISTS
9 WITHOUT DISCLOSURE OF ANY FINANCIAL INTEREST IN THE
10 PHYSICAL THERAPY CLINIC; AND FOR OTHER PURPOSES."

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12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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14 SECTION 1. A physician or other health care practitioner may refer a
15 patient or direct an employee of the physician or practitioner to refer a
16 patient to a physical therapy clinic in which the physician or practitioner,
17 the physician or practitioner's immediate family including the physician or
18 practitioner's spouse, child, parent or sibling, or in combination with the
19 physician or practitioner's immediate family owns any interest, if prior to
20 the referral the physician or practitioner:

21 (1) provides the patient with a written statement that:

22 (A) discloses the existence of the ownership interest;

23 (B) states that the patient may choose to obtain the physical
24 therapy service from another physical therapist; and

25 (C) requires the patient to acknowledge in writing receipt of the
26 statement; and

27 (2) inserts in the medical record of the patient a copy of the written
28 acknowledgement.

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30 SECTION 2. Ark. Code Ann. §17-92-308(a) is hereby amended to read as
31 follows:

32 "(a) After due notice and hearing, the board may refuse to register any
33 physical therapist or physical therapist assistant applicant and may revoke
34 the registration of any registered person who:

35 (1) Is habitually drunk or who is addicted to the use of narcotic

1 drugs;

2 (2) Has been convicted of violating any state or federal narcotic
3 law;

4 (3) Is, in the judgment of the board, guilty of immoral or
5 unprofessional conduct;

6 (4) Has been convicted of any crime involving moral turpitude;

7 (5) Is guilty, in the judgment of the board, of gross negligence
8 in his practice;

9 (6) Has obtained, or attempted to obtain, registration by fraud
10 or material misrepresentation;

11 (7) Has been declared insane by a court of competent jurisdiction
12 and has not thereafter been lawfully declared sane;

13 (8) Has treated, or undertaken to treat, ailments of human beings
14 otherwise than by physical therapy, and as authorized by this chapter, or has
15 undertaken to practice independent of the referral of a person licensed to
16 practice medicine and surgery without limitation; or

17 (9) Engages, directly or indirectly in the division,
18 transferring, assigning, rebating or refunding of fees received for
19 professional services or profits by means of a credit or other valuable
20 consideration such as wages, an unearned commission, or gratuity with any
21 physician or health care practitioner who referred a patient, or with any
22 relative or business associate of the referring person without appropriate
23 disclosure. Nothing in this subdivision shall be construed as prohibiting the
24 members of any regularly and properly organized business entity recognized by
25 Arkansas law and comprised of physical therapists from making any division of
26 their total fees among themselves as they determine by contract necessary to
27 defray their joint operating costs. This subdivision shall not apply to any
28 physical therapist employed by a licensed physician on the effective date of
29 this subdivision until such employment is terminated, nor shall it apply to
30 physical therapy positions on the premises of Arkansas licensed hospitals."

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32 SECTION 3. All provisions of this act of a general and permanent nature
33 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
34 Revision Commission shall incorporate the same in the Code.

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1 SECTION 4. If any provision of this act or the application thereof to
2 any person or circumstance is held invalid, such invalidity shall not affect
3 other provisions or applications of the act which can be given effect without
4 the invalid provision or application, and to this end the provisions of this
5 act are declared to be severable.

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7 SECTION 5. All laws and parts of laws in conflict with this act are
8 hereby repealed.

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