

AGENDA ITEM 6

DISCUSSION, AND POTENTIAL ACTION AND/OR POSITION RELATED TO ASSEMBLY BILL 2671 (ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS) OCCUPATIONAL THERAPY.

Language added to AB 2671 when amended June 13.

SEC. 5.

Section 2572 is added to the Business and Professions Code, to read:

2572.

An occupational therapy corporation is a corporation that is authorized to render professional services, as defined in Sections 13401 and 13401.5 of the Corporations Code, if that corporation, its shareholders, officers, directors, and employees rendering professional services are in compliance with the Moscone-Knox Professional Corporation Act (Part 4 (commencing with Section 13400) of Division 3 of Title 1 of the Corporations Code), this chapter, and other statutes, rules, and regulations applicable to an occupational therapy corporation and the conduct of its affairs. Subject to all applicable statutes, rules, and regulations, an occupational therapy corporation is entitled to practice occupational therapy. With respect to an occupational therapy corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the California Board of Occupational Therapy.

Per instruction at May 2022 meeting, the proposed language below is based on PT corps language:

Definition

A occupational therapy corporation is a corporation that is authorized to render professional services, as defined in Section 13401 of the Corporations Code, so long as that corporation and its shareholders, officers, directors, and employees rendering professional services who are occupational therapists are in compliance with the Moscone-Knox Professional Corporation Act, this article and all other statutes and regulations now or hereafter enacted or adopted pertaining to the corporation and the conduct of its affairs.

With respect to an occupational therapy corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the California Board of Occupational Therapy.

Unprofessional Conduct - Licensee

It shall constitute unprofessional conduct and a violation of this chapter for any person licensed under this chapter to violate, attempt to violate, directly or indirectly, or assist in or abet the violation of, or conspire to violate any provision or term of this article, the Moscone-Knox Professional Corporation Act, or any regulations duly adopted under those laws.

Unprofessional Conduct - Corporation

An occupational therapy corporation shall not do or fail to do any act the doing of which or the failure to do which would constitute unprofessional conduct under any statute or regulation, now or hereafter in effect. In the conduct of its practice, it shall observe and be bound by such statutes and regulations to the same extent as a person holding a license under this chapter.

Corporation Name

The name of an occupational therapy corporation and any name or names under which it may render professional services shall contain the words “occupational therapy” or “occupational therapist”, and wording or abbreviations denoting corporate existence.

Directors and Officers

Except as provided in Section 13403 of the Corporations Code, each shareholder, director and officer of a occupational therapy corporation, except an assistant secretary and an assistant treasurer, shall be a licensed person as defined in Section 13401 of the Corporations Code.

Income

The income of an occupational therapy corporation attributable to professional services rendered while a shareholder is a disqualified person, as defined in Section 13401 of the Corporations Code, shall not in any manner accrue to the benefit of such shareholder or his or her shares in the occupational therapy corporation.

Regulations

The board may adopt and enforce regulations to carry out the purposes and objectives of this article, including regulations requiring (a) that the bylaws of a occupational therapy corporation shall include a provision whereby the capital stock of the corporation owned by a disqualified person (as defined in Section 13401 of the Corporations Code), or a deceased person, shall be sold to the corporation or to the remaining shareholders of the corporation within the time as the regulations may provide, and (b) that an occupational therapy corporation shall provide adequate security by insurance or otherwise for claims against it by its patients arising out of the rendering of professional services.