### LEGISLATIVE AND REGULATORY AFFAIRS COMMITTEE REPORT.

#### The following is attached for review:

- A. Highlights from June 14, 2012, meeting.
- B. Acceptance of the January 24, 2012, Committee Meeting Minutes
- C. Acceptance of the March 8, 2012, Committee meeting minutes.
- D. Recommended positions on pending bills.
  - Assembly Bill (AB) 171(Beall), Autism.
  - AB 439 (Skinner), Health care information.
  - AB 518 (Wagner), Elder and dependent adult abuse: mandated reporters.
  - AB 1435 (Dickinson), Child abuse reporting.
  - AB 1588 (Atkins), Professions and vocations: reservist licensees: fees and continuing education.
  - AB 1896 (Chesbro), Tribal health programs: health care practitioners.
  - AB 1904 (Block), Professions and vocations: military spouses: temporary licenses.
  - AB 1932 (Gorell), United States armed services: healing arts boards
  - AB 2570 (Hill), Licensees: settlement agreements.
  - Senate Bill (SB) 770 (Steinberg and Evans), Health care coverage: mental illness: developmental disorder and autism.
  - SB 924 (Walters), Direct patient access to services and professional corporations.
  - SB 975 (Wright), Professions and vocations: regulatory authority.
  - SB 1228 (Alguist), Small house skilled nursing facilities.
  - SB 1274 (Wolk), Healing arts: hospitals: employment.
  - SB 1327 (Cannella), State government: business information: Internet Web site.
  - SB 1575 (Committee on Business, Professions and Economic Development), Professions and vocations.

AMENDED IN ASSEMBLY AUGUST 31, 2011
AMENDED IN ASSEMBLY AUGUST 16, 2011
AMENDED IN ASSEMBLY JUNE 30, 2011
AMENDED IN SENATE MAY 31, 2011
AMENDED IN SENATE APRIL 25, 2011
AMENDED IN SENATE MARCH 24, 2011
AMENDED IN SENATE MARCH 21, 2011

SENATE BILL

No. 770

Introduced by Senators Steinberg and Evans (Principal coauthor: Assembly Member Beall) (Coauthor: Assembly Member Fuentes)

February 18, 2011

An act to add Section 1374.73 to the Health and Safety Code, and to add Sections 10144.51 and 10144.52 to the Insurance Code, relating to health care coverage.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 770, as amended, Steinberg. Health care coverage: mental illness: developmental disorder and autism.

(1) Existing law provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. A willful violation of these provisions is a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide benefits for specified conditions, including certain mental health conditions.

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This bill would require those health care service plan contracts and health insurance policies to also provide coverage for behavioral health treatment, as defined, for pervasive developmental disorder or autism. The bill would provide, however, that no benefits are required to be provided that exceed the essential health benefits required under specified federal law. Because a violation of these provisions with respect to health care service plans would be a crime, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the 2 following:

- (a) Scientific research has established that behavioral health treatment can significantly improve the cognitive function and emotional capabilities, and reduce self-injurious behavior, for a significant number of individuals with pervasive developmental disorder or autism.
- (b) Existing law requires health care service plan contracts and health insurance policies to provide coverage for all medically necessary treatment for individuals with pervasive developmental disorder or autism pursuant to Section 1374.72 of the Health and Safety Code and Section 10144.5 of the Insurance Code.
- (c) Scientists, physicians, and other autism experts consider behavioral health treatment an important and medically necessary treatment for a significant number of individuals with pervasive developmental disorder or autism.
- (d) Despite Section 1374.72 of the Health and Safety Code, Section 10144.5 of the Insurance Code, and the scientific literature findings that behavioral health treatment is efficacious in the treatment of pervasive developmental disorder and autism, some health care service plans and health insurers continue to refuse to

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cover medically necessary behavioral health treatment for individuals with these disorders.

- (e) Of the grievances and appeals that have been filed with the Department of Managed Health Care and the Department of Insurance, an increasing number of independent medical review decisions have determined that behavioral health treatment is medically necessary for the treatment of pervasive developmental disorder or autism.
- (f) Therefore, it is the intent of the Legislature to ensure that behavioral health treatment is considered a covered benefit, when it is medically necessary, for the treatment of pervasive developmental disorder or autism.

SEC. 2. Section 1374.73 is added to the Health and Safety Code, to read:

1374.73. (a) (1) Every health care service plan contract issued, amended, or renewed on or after January 1, 2012, that provides hospital, medical, or surgical coverage pursuant to Section 1374.72 shall provide coverage for behavioral health treatment for pervasive developmental disorder or autism. The coverage shall be provided in the same manner and shall be subject to the same requirements as provided in Section 1374.72.

(2) Notwithstanding paragraph (1), this section does not require any benefits to be provided that exceed the essential health benefits required to be provided under Section 1302(b) of the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

(3) This section shall not be construed as reducing any obligation to provide services to an individual under an individualized family service plan as described in Section 95020 of the Government Code, an individualized program plan as described in Section 4646 of the Welfare and Institutions Code, a prevention program plan as described in Section 4435 of the Welfare and Institutions Code, an individualized education program as defined in Section 56032 of the Education Code, or an individualized service plan as described in Section 5600.4 of the Welfare and Institutions Code.

(b) Every health care service plan subject to this section shall maintain an adequate network of qualified autism service providers, and the plan shall comply with all applicable provisions of this act or regulations adopted thereunder.

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(c) (1) Notwithstanding any other provision of law, unlicensed or uncertified staff may implement services if the qualified autism service provider ensures that each staff person implementing services pursuant to this section has adequate training and the qualified autism service provider supervises these staff persons.

(2) Prior to implementing services, all unlicensed or uncertified staff shall be subject to criminal background screening and fingerprinting meeting requirements established by the department.

(d) For the purposes of this section, the following definitions

10 shall apply:

- (1) "Behavioral health treatment" means professional services and treatment programs, including, but not limited to, applied behavior analysis and other intervention programs, such as Pivotal Response Therapy and Early Start Denver Model, that meet all of the following criteria:
- (A) The treatment is prescribed by a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code.
- (B) The treatment shall be derived from peer-reviewed literature or scientific evidence-based research that has demonstrated clinical efficacy in treating the symptoms or manifestations associated with pervasive developmental disorder or autism.
- (C) The treatment is provided or supervised by a qualified autism service provider.
- (2) "Pervasive developmental disorder or autism" shall have the same meaning and interpretation as used in Section 1374.72.
- (3) "Qualified autism service provider" shall include any person, entity, or group that is nationally certified by an entity, such as, but not limited to, the Behavior Analyst Certification Board, that is accredited by the National Commission for Certifying Agencies, or any person licensed as a physician and surgeon, physical therapist, occupational therapist, psychologist, marriage and family therapist, educational psychologist, clinical social worker, professional clinical counselor, speech-language pathologist, or audiologist, pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, who designs, supervises, or provides treatment for pervasive developmental disorder or autism, provided the services are within the experience and competence of the person, entity, or group that is nationally

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certified or the licensee. A "qualified autism service provider" shall also include both of the following:

- (A) Any service provider that is approved as a vendor of a regional center to provide those same services for pervasive developmental disorder or autism pursuant to Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code or Title 14 (commencing with Section 95000) of the Government Code.
- (B) A State Department of Education nonpublic, nonsectarian agency, as defined in Section 56035 of the Education Code, that is approved to provide those same services for pervasive developmental disorder or autism.
- SEC. 3. Section 10144.51 is added to the Insurance Code, to read:
- 10144.51. (a) (1) Every health insurance policy issued, amended, or renewed on or after January 1, 2012, that provides hospital, medical, or surgical coverage pursuant to Section 10144.5 shall provide coverage for behavioral health treatment for pervasive developmental disorder or autism. The coverage shall be provided in the same manner and shall be subject to the same requirements as provided in Section 10144.5.
- (2) Notwithstanding paragraph (1), this section does not require any benefits to be provided that exceed the essential health benefits required to be provided under Section 1302(b) of the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).
- (3) This section shall not be construed as reducing any obligation to provide services to an individual under an individualized family service plan as described in Section 95020 of the Government Code, an individualized program plan as described in Section 4646 of the Welfare and Institutions Code, a prevention program plan as described in Section 4435 of the Welfare and Institutions Code, an individualized education program as defined in Section 56032 of the Education Code, or an individualized service plan as described in Section 5600.4 of the Welfare and Institutions Code.
- (b) Pursuant to Article 6 (commencing with Section 2240.1) of Title 10 of the California Code of Regulations, every health insurer subject to this section shall maintain an adequate network of qualified autism service providers to ensure that all insureds have

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timely access to qualified autism service providers, continuity of care, and ready referral to in-network qualified autism service providers.

- (c) (1) Notwithstanding any other provision of law, unlicensed or uncertified staff may implement services if the qualified autism service provider ensures that each staff person implementing services pursuant to this section has adequate training and the qualified autism service provider supervises these staff persons.
- (2) All unlicensed or uncertified staff implementing services pursuant to this section shall be subject to criminal background screening and fingerprinting meeting requirements established by the department.
- (d) For the purposes of this section, the following definitions shall apply:
- (1) "Behavioral health treatment" means professional services and treatment programs, including, but not limited to, applied behavior analysis and other intervention programs, such as Pivotal Response Therapy and Early Start Denver Model, that meet all of the following criteria:
- (A) The treatment is prescribed by a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code.
- (B) The treatment shall be derived from peer-reviewed literature or scientific evidence-based research that has demonstrated clinical efficacy in treating the symptoms or manifestations associated with pervasive developmental disorder or autism.
- (C) The treatment is provided or supervised by a qualified autism service provider.
- (2) "Pervasive developmental disorder or autism" shall have the same meaning and interpretation as used in Section 10144.5.
- (3) "Qualified autism service provider" shall include any person, entity, or group that is nationally certified by an entity, such as, but not limited to, the Behavior Analyst Certification Board, that is accredited by the National Commission for Certifying Agencies, or any person licensed as a physician and surgeon, physical therapist, occupational therapist, psychologist, marriage and family therapist, educational psychologist, clinical social worker, professional clinical counselor, speech-language pathologist, or audiologist, pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, who designs,

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supervises, or provides treatment for pervasive developmental disorder or autism, provided the services are within the experience and competence of the person, entity, or group that is nationally certified or the licensee. A "qualified autism service provider" shall also include both of the following:

- (A) Any service provider that is approved as a vendor of a regional center to provide those same services for pervasive developmental disorder or autism pursuant to Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code or Title 14 (commencing with Section 95000) of the Government Code.
- (B) A State Department of Education nonpublic, nonsectarian agency as defined in Section 56035 of the Education Code, approved to provide those same services for pervasive developmental disorder or autism.
- SEC. 4. Section 10144.52 is added to the Insurance Code, to read:
  - 10144.52. For purposes of this part, the terms "provider," "professional provider," "network provider," "mental health provider," and "mental health professional" shall include the term "qualified autism service provider," as defined in subdivision (d) of Section 10144.51.
- SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California Constitution.

# AMENDED IN SENATE JANUARY 26, 2012 AMENDED IN SENATE MAY 24, 2011 AMENDED IN SENATE MAY 9, 2011 AMENDED IN SENATE MARCH 30, 2011

SENATE BILL

No. 924

Introduced by Senator Senators Price, Walters, and Steinberg (Coauthors: Senators Emmerson, Runner, and Strickland) (Coauthors: Assembly Members Bill Berryhill, Chesbro, Knight, Morrell, Norby, and Silva)

February 18, 2011

An act to amend Section 2660 Sections 2406 and 2690 of, and to add Section Sections 2406.5, 2620.1, and 2694.5 to, the Business and Professions Code, and to amend Section 13401.5 of the Corporations Code, relating to physical therapists healing arts.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 924, as amended, Walters Price. Physical therapists: direct access to services: professional corporations.

**Existing** 

(1) Existing law, the Physical Therapy Practice Act, creates the Physical Therapy Board of California and makes it responsible for the licensure and regulation of physical therapists. The act defines the term "physical therapy" for its purposes and makes it a crime to violate any of its provisions. The act authorizes the board to suspend, revoke, or impose probationary conditions on a license, certificate, or approval issued under the act for unprofessional conduct, as specified.

This bill would specify that patients may access physical therapy treatment directly, and would, in those circumstances, require a physical

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therapist to refer his or her patient to another specified healing arts practitioner if the physical therapist has reason to believe the patient has a condition requiring treatment or services beyond that scope of practice, to disclose to the patient any financial interest he or she has in treating the patient, and, with the patient's written authorization, to notify the patient's physician and surgeon, if any, that the physical therapist is treating the patient. The bill would prohibit a physical therapist from treating a patient beyond a 30-day period 30 business days or 12 visits, whichever occurs first, unless the patient has obtained a diagnosis from a physician and surgeon physical therapist receives a specified authorization from a person with a physician and surgeon's certificate. The bill would require a physical therapist, prior to the initiation of treatment services, to provide a patient with a specified notice concerning the limitations on the direct treatment services. The bill would provide that failure to comply with these provisions constitutes unprofessional conduct subject to disciplinary action by the board:

(2) Existing law regulating professional corporations provides that certain healing arts practitioners may be shareholders, officers, directors, or professional employees of a medical corporation or a podiatric medical corporation, subject to certain limitations.

This bill would add licensed physical therapists and licensed occupational therapists to the list of healing arts practitioners who may be shareholders, officers, directors, or professional employees of those corporations. The bill would also provide that specified healing arts licensees may be shareholders, officers, directors, or professional employees of a physical therapy corporation. The bill would require, except as specified, that a medical corporation, podiatry corporation, and physical therapy corporation provide patients with a specified disclosure notifying them that they may seek physical therapy treatment services from any physical therapy provider. The bill would also make conforming changes to related provisions.

Because the bill would specify additional requirements under the Physical Therapy Practice Act, the violation of which would be a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that an individual's access to early intervention to physical therapy treatment may decrease the duration of a disability, reduce pain, and lead to a quicker recovery.

SEC. 2. Section 2406 of the Business and Professions Code is

SEC. 2. Section 2406 of the Business and Professions Code is amended to read:

6 2406. A medical corporation or podiatry corporation is a 7 corporation-which that is authorized to render professional services, 8 as defined in Sections 13401 and 13401.5 of the Corporations 9 Code, so long as that corporation and its shareholders, officers, 10 directors, and employees rendering professional services who are 11 physicians and surgeons, psychologists, registered nurses, 12 acupuncturists, chiropractors, 13 optometrists, podiatrists, naturopathic doctors, physical therapists, occupational therapists, 14 or, in the case of a medical corporation only, physician assistants, 15 marriage and family therapists, or clinical social workers, are in 16 compliance with the Moscone-Knox Professional Corporation Act, 17 the provisions of this article, and all other statutes and regulations 18 now or hereafter enacted or adopted pertaining to the corporation 19 and the conduct of its affairs. 20

With respect to a medical corporation or podiatry corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the Division of Licensing board.

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SEC. 3. Section 2406.5 is added to the Business and Professions Code, to read:

2406.5. (a) A medical corporation or podiatry corporation that is authorized to render professional services, as defined in Sections 13401 and 13401.5 of the Corporations Code, shall disclose to its patients, orally and in writing, when initiating any physical therapy treatment services, that the patient may seek physical therapy treatment services from a physical therapy provider of his or her choice who may not necessarily be employed by the medical or podiatry corporation.

(b) This disclosure requirement shall not apply to any medical corporation that contracts with a health care service plan with a

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license issued pursuant to the Knox-Keene Health Care Service 1 Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) 2 of Division 2 of the Health and Safety Code) if the licensed health 3 care service plan is also exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. 5

SEC. 2.

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SEC. 4. Section 2620.1 is added to the Business and Professions Code, to read:

2620.1. (a) In addition to receiving wellness and evaluation services from a physical therapist, a person may initiate physical therapy treatment directly from a licensed physical therapist provided that the treatment is within the scope of practice of physical therapists, as defined in Section 2620, and that all the

following conditions are met:

(1) If, at any time, the physical therapist has reason to believe that the patient has signs or symptoms of a condition that requires treatment beyond the scope of practice of a physical therapist, the physical therapist shall refer the patient to a person holding a physician and surgeon's certificate issued by the Medical Board of California or by the Osteopathic Medical Board of California or to a person licensed to practice dentistry, podiatric medicine, or chiropractic.

(2) The physical therapist shall disclose to the patient any financial interest he or she has in treating the patient and shall comply with Article 6 (commencing with Section 650) of Chapter

1 of Division 2.

(3) With the patient's written authorization, the physical therapist shall notify the patient's physician and surgeon, if any,

that the physical therapist is treating the patient.

(4) With respect to a patient initiating physical therapy treatment services directly from a physical therapist, the physical therapist shall not continue treating that patient beyond 30 business days or 12 visits, whichever occurs first, without receiving, from a person holding a physician and surgeon's certificate from the Medical Board of California or the Osteopathic Medical Board of California, a dated signature on the physical therapist's plan of care indicating approval of the physical therapist's plan of care. Approval of the physical therapist's plan of care shall include an appropriate patient examination by the person holding a physician and surgeon's certificate from the Medical Board of California

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or the Osteopathic Medical Board of California. For purposes of this paragraph, "business day" means any calendar day except Saturday, Sunday, or the following business holidays: New Year's 4 Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

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(b) The conditions in paragraphs (1), (2), and (3), and (4) of subdivision (a) do not apply to a physical therapist when providing evaluation or wellness physical therapy services to a patient as described in subdivision (a) of Section 2620 or treatment provided upon referral or diagnosis by a physician and surgeon, podiatrist, dentist, chiropractor, or other appropriate health care provider acting within his or her scope of practice. Nothing in this subdivision shall be construed to alter the disclosure requirements of Section 2406.5.

(c) Nothing in this section shall be construed to expand or modify the scope of practice for physical therapists set forth in Section 2620, including the prohibition on a physical therapist diagnosing a disease.

(d) Nothing in this section shall be construed to require a health care service plan, insurer, workers' compensation insurance plan, or any other person or entity, including, but not limited to, a state program or state employer, to provide coverage for direct access to treatment by a physical therapist.

(e) A physical therapist shall not continue treating a patient beyond a 30-day period, unless the patient has obtained a diagnosis by a physician and surgeon.

(e) When a person initiates physical therapy treatment services directly pursuant to this section, the physical therapist shall not perform physical therapy treatment services without first providing the following written notice, orally and in writing, on one page, in at least 14-point type, and obtaining a patient signature on the notice:

## Direct Physical Therapy Treatment Services

You are receiving direct physical therapy treatment services from an individual who is not a physician and surgeon, but who is a physical therapist licensed by the Physical Therapy Board of California.

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Under California law, you may continue to receive direct physical therapy treatment services for a period of 30 business days or 12 visits, whichever occurs first, after which time a physical therapist may continue providing you with physical therapy treatment services only after receiving, from a person holding a physician and surgeon's certificate issued by the Medical Board of California or by the Osteopathic Medical Board of California, a dated signature on the physical therapist's plan of care indicating approval of the physical therapist's plan of care.

If you have received direct physical therapy treatment services for a duration of 30 business days or 12 visits, whichever occurs 12 first, from a physical therapist, it may constitute unprofessional conduct for that physical therapist or for another physical therapist to provide direct physical therapy treatment services without receiving from a person holding a physician and surgeon's certificate issued by the Medical Board of California or by the Osteopathic Medical Board of California a dated signature on the physical therapist's plan of care, indicating approval of the physical therapist's plan of care.

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#### [Patient's Signature/Date]

SEC. 3. Section 2660 of the Business and Professions Code is amended to read:

2660. The board may, after the conduct of appropriate proceedings under the Administrative Procedure Act, suspend for not more than 12 months, or revoke, or impose probationary conditions upon any license, certificate, or approval issued under this chapter for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

- (a) Advertising in violation of Section 17500:
- (b) Fraud in the procurement of any license under this chapter.
- (c) Procuring or aiding or offering to procure or aid in criminal abortion.
- (d) Conviction of a crime that substantially relates to the qualifications, functions, or duties of a physical therapist or physical therapist assistant. The record of conviction or a certified copy thereof shall be conclusive evidence of that conviction.
  - (e) Habitual intemperance.

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(f) Addiction to the excessive use of any habit-forming drug.

(g) Gross negligence in his or her practice as a physical therapist

or physical therapist assistant.

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(h) Conviction of a violation of any of the provisions of this chapter or of the Medical Practice Act, or violating, or attempting to violate, directly or indirectly, or assisting in or abetting the violating of, or conspiring to violate any provision or term of this chapter or of the Medical Practice Act.

(i) The aiding or abetting of any person to violate this chapter

or any regulations duly adopted under this chapter.

(j) The aiding or abetting of any person to engage in the unlawful practice of physical therapy.

(k) The commission of any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, or duties

of a physical therapist or physical therapist assistant.

(I) Except for good cause, the knowing failure to protect patients by failing to follow infection control guidelines of the board, thereby risking transmission of blood-borne infectious diseases from licensee to patient, from patient to patient, and from patient to licensee. In administering this subdivision, the board shall consider referencing the standards, regulations, and guidelines of the State Department of Public Health developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, regulations, and guidelines pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, hepatitis B, and other blood-borne pathogens in health care settings. As necessary, the board shall consult with the Medical Board of California, the California Board of Podiatric Medicine, the Dental Board of California, the Board of Registered Nursing, and the Board of Vocational Nursing and Psychiatric Technicians of the State of California, to encourage appropriate consistency in the implementation of this subdivision.

The board shall seek to ensure that licensees are informed of the responsibility of licensees and others to follow infection control guidelines, and of the most recent scientifically recognized safeguards for minimizing the risk of transmission of blood-borne infectious diseases.

- (m) The commission of verbal abuse or sexual harassment.
- (n) Failure to comply with the provisions of Section 2620.1.

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SEC. 5. Section 2690 of the Business and Professions Code is amended to read:

2 2690. A physical therapy corporation is a corporation that is 3 authorized to render professional services, as defined in Section Sections 13401 and 13401.5 of the Corporations Code, so long as 5 that corporation and its shareholders, officers, directors, and 6 employees rendering professional services who are physical 7 therapists, physicians and surgeons, podiatrists, acupuncturists, 8 naturopathic doctors, occupational therapists, speech-language 9 pathologists, audiologists, registered nurses, psychologists, and 10 physician assistants are in compliance with the Moscone-Knox 11 Professional Corporation Act, this article, and all other statutes 12 and regulations now or hereafter enacted or adopted pertaining to 13 the corporation and the conduct of its affairs. 14

With respect to a physical therapy corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the Physical Therapy Board of California board.

SEC. 6. Section 2694.5 is added to the Business and Professions Code, to read:

2694.5. A physical therapy corporation that is authorized to render professional services, as defined in Sections 13401 and 13401.5 of the Corporations Code, shall disclose to its patients, orally and in writing, when initiating any physical therapy treatment services, that the patient may seek physical therapy treatment services from a physical therapy provider of his or her choice who may not necessarily be employed by the physical therapy corporation.

SEC. 7. Section 13401.5 of the Corporations Code is amended to read:

29 13401.5. Notwithstanding subdivision (d) of Section 13401 30 and any other provision of law, the following licensed persons 31 may be shareholders, officers, directors, or professional employees 32 of the professional corporations designated in this section so long 33 as the sum of all shares owned by those licensed persons does not 34 exceed 49 percent of the total number of shares of the professional 35 corporation so designated herein, and so long as the number of 36 those licensed persons owning shares in the professional 37 corporation so designated herein does not exceed the number of 38 persons licensed by the governmental agency regulating the 39 40

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- 1 (a) Medical corporation.
- 2 (1) Licensed doctors of podiatric medicine.
- 3 (2) Licensed psychologists.
- 4 (3) Registered nurses.
- 5 (4) Licensed optometrists.
- 6 (5) Licensed marriage and family therapists.
- 7 (6) Licensed clinical social workers.
- 8 (7) Licensed physician assistants.
- 9 (8) Licensed chiropractors.
- 10 (9) Licensed acupuncturists.
- 11 (10) Naturopathic doctors.
- 12 (11) Licensed professional clinical counselors.
- 13 (12) Licensed physical therapists.
- 14 (13) Licensed occupational therapists.
- 15 (b) Podiatric medical corporation.
- 16 (1) Licensed physicians and surgeons.
- 17 (2) Licensed psychologists.
- 18 (3) Registered nurses.
- 19 (4) Licensed optometrists.
- 20 (5) Licensed chiropractors.
- 21 (6) Licensed acupuncturists.
- 22 (7) Naturopathic doctors.
- 23 (8) Licensed physical therapists.
- 24 (9) Licensed occupational therapists.
- 25 (c) Psychological corporation.
- 26 (1) Licensed physicians and surgeons.
- 27 (2) Licensed doctors of podiatric medicine.
- 28 (3) Registered nurses.
- 29 (4) Licensed optometrists.
- 30 (5) Licensed marriage and family therapists.
- 31 (6) Licensed clinical social workers.
- 32 (7) Licensed chiropractors.
- 33 (8) Licensed acupuncturists.
- 34 (9) Naturopathic doctors.
- 35 (10) Licensed professional clinical counselors.
- 36 (d) Speech-language pathology corporation.
- 37 (1) Licensed audiologists.
- 38 (e) Audiology corporation.
- 39 (1) Licensed speech-language pathologists.
- 40 (f) Nursing corporation.

- 1 (1) Licensed physicians and surgeons.
- 2 (2) Licensed doctors of podiatric medicine.
- 3 (3) Licensed psychologists.
- 4 (4) Licensed optometrists.

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- 5 (5) Licensed marriage and family therapists.
- 6 (6) Licensed clinical social workers.
- 7 (7) Licensed physician assistants.
- 8 (8) Licensed chiropractors.
- 9 (9) Licensed acupuncturists.
- 10 (10) Naturopathic doctors.
- 11 (11) Licensed professional clinical counselors.
- 12 (g) Marriage and family therapist corporation.
- 13 (1) Licensed physicians and surgeons.
- 14 (2) Licensed psychologists.
- 15 (3) Licensed clinical social workers.
- 16 (4) Registered nurses.
- 17 (5) Licensed chiropractors.
- 18 (6) Licensed acupuncturists.
- 19 (7) Naturopathic doctors.
- 20 (8) Licensed professional clinical counselors.
- 21 (h) Licensed clinical social worker corporation.
- 22 (1) Licensed physicians and surgeons.
- 23 (2) Licensed psychologists.
- 24 (3) Licensed marriage and family therapists.
- 25 (4) Registered nurses.
- 26 (5) Licensed chiropractors.
- 27 (6) Licensed acupuncturists.
- 28 (7) Naturopathic doctors.
- 29 (8) Licensed professional clinical counselors.
- 30 (i) Physician assistants corporation.
- 31 (1) Licensed physicians and surgeons.
- 32 (2) Registered nurses.
- 33 (3) Licensed acupuncturists.
- 34 (4) Naturopathic doctors.
- 35 (j) Optometric corporation.
- 36 (1) Licensed physicians and surgeons.
- 37 (2) Licensed doctors of podiatric medicine.
- 38 (3) Licensed psychologists.
- 39 (4) Registered nurses.
- 40 (5) Licensed chiropractors.

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- 1 (6) Licensed acupuncturists.
- 2 (7) Naturopathic doctors.
- 3 (k) Chiropractic corporation.
- 4 (1) Licensed physicians and surgeons.
- 5 (2) Licensed doctors of podiatric medicine.
- 6 (3) Licensed psychologists.
- 7 (4) Registered nurses.
- 8 (5) Licensed optometrists.
- 9 (6) Licensed marriage and family therapists.
- 10 (7) Licensed clinical social workers.
- 11 (8) Licensed acupuncturists.
- 12 (9) Naturopathic doctors.
- 13 (10) Licensed professional clinical counselors.
- 14 (1) Acupuncture corporation.
- 15 (1) Licensed physicians and surgeons.
- 16 (2) Licensed doctors of podiatric medicine.
- 17 (3) Licensed psychologists.
- 18 (4) Registered nurses.
- 19 (5) Licensed optometrists.
- 20 (6) Licensed marriage and family therapists.
- 21 (7) Licensed clinical social workers.
- 22 (8) Licensed physician assistants.
- 23 (9) Licensed chiropractors.
- 24 (10) Naturopathic doctors.
- 25 (11) Licensed professional clinical counselors.
- 26 (m) Naturopathic doctor corporation.
- 27 (1) Licensed physicians and surgeons.
- 28 (2) Licensed psychologists.
- 29 (3) Registered nurses.
- 30 (4) Licensed physician assistants.
- 31 (5) Licensed chiropractors.
- 32 (6) Licensed acupuncturists.
- 33 (7) Licensed physical therapists.
- 34 (8) Licensed doctors of podiatric medicine.
- 35 (9) Licensed marriage and family therapists.
- 36 (10) Licensed clinical social workers.
- 37 (11) Licensed optometrists.
- 38 (12) Licensed professional clinical counselors.
- 39 (n) Dental corporation.
- 40 (1) Licensed physicians and surgeons.

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- (2) Dental assistants. 1
- (3) Registered dental assistants. 2
- (4) Registered dental assistants in extended functions. 3
- (5) Registered dental hygienists. 4
- (6) Registered dental hygienists in extended functions. 5
- (7) Registered dental hygienists in alternative practice. 6
- (o) Professional clinical counselor corporation. 7
- (1) Licensed physicians and surgeons. 8
- (2) Licensed psychologists. 9
- (3) Licensed clinical social workers. 10
- (4) Licensed marriage and family therapists. 11
- (5) Registered nurses. 12
- (6) Licensed chiropractors. 13
- (7) Licensed acupuncturists. 14
- (8) Naturopathic doctors. 15
- (p) Physical therapy corporation. 16
- (1) Licensed physicians and surgeons. 17
- (2) Licensed doctors of podiatric medicine. 18
- (3) Licensed acupuncturists. 19
- (4) Naturopathic doctors. 20
- (5) Licensed occupational therapists. 21
- (6) Licensed speech-language pathologists. 22
- (7) Licensed audiologists. 23
- (8) Registered nurses. 24
- (9) Licensed psychologists. 25
- (10) Licensed physician assistants. 26
- 27 SEC. 4.
- SEC. 8. No reimbursement is required by this act pursuant to 28
- Section 6 of Article XIIIB of the California Constitution because 29
- the only costs that may be incurred by a local agency or school 30
- district will be incurred because this act creates a new crime or 31 infraction, eliminates a crime or infraction, or changes the penalty
- 32 for a crime or infraction, within the meaning of Section 17556 of
- 33 the Government Code, or changes the definition of a crime within
- the meaning of Section 6 of Article XIIIB of the California
- Constitution. 36

# AMENDED IN ASSEMBLY JUNE 18, 2012 AMENDED IN SENATE JANUARY 26, 2012 AMENDED IN SENATE MAY 24, 2011 AMENDED IN SENATE MAY 9, 2011 AMENDED IN SENATE MARCH 30, 2011

#### SENATE BILL

No. 924

Introduced by Senators Price, Walters, and Steinberg (Coauthors: Assembly Members Chesbro, Fong, Knight, Morrell, and Wieckowski)

February 18, 2011

An act to amend Sections 2406 and 2690 of, and to add Sections 2406.5, 2620.1, and 2694.5 to, the Business and Professions Code, and to amend Section 13401.5 of the Corporations Code, relating to healing arts.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 924, as amended, Price. Physical therapists: direct access to services: professional corporations.

(1) Existing law, the Physical Therapy Practice Act, creates the Physical Therapy Board of California and makes it responsible for the licensure and regulation of physical therapists. The act defines the term "physical therapy" for its purposes and makes it a crime to violate any of its provisions.

This bill would specify that patients may access physical therapy treatment directly, and would, in those circumstances, require a physical therapist to refer his or her patient to another specified healing arts practitioner if the physical therapist has reason to believe the patient SB 924 —2—

has a condition requiring treatment or services beyond that scope of practice, and, with the patient's written authorization, to notify the patient's *primary* physician and surgeon, if any, that the physical therapist is treating the patient. The bill would prohibit a physical therapist from treating a patient beyond 30 business days or 12 visits, whichever occurs first, unless the physical therapist receives a specified authorization from a person with a physician and surgeon's certificate or from a person with a podiatric medicine certificate and acting within his or her scope of practice. The bill would require a physical therapist, prior to the initiation of treatment services, to provide a patient with a specified notice concerning the limitations on the direct treatment services.

(2) Existing law regulating professional corporations provides that certain healing arts practitioners may be shareholders, officers, directors, or professional employees of a medical corporation or a podiatric medical corporation, subject to certain limitations.

This bill would add licensed physical therapists and licensed occupational therapists to the list of healing arts practitioners who may be shareholders, officers, directors, or professional employees of those corporations. The bill would also provide that specified healing arts licensees may be shareholders, officers, directors, or professional employees of a physical therapy corporation. The bill would require, except as specified, that a medical corporation, podiatry corporation, and physical therapy corporation provide patients with a specified disclosure notifying them that they may seek physical therapy treatment services from any physical therapy provider. The bill would also make conforming changes to related provisions.

Because the bill would specify additional requirements under the Physical Therapy Practice Act, the violation of which would be a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that an individual's access to early intervention to physical therapy treatment may decrease the duration of a disability, reduce pain, and lead to a quicker recovery.

SEC. 2. Section 2406 of the Business and Professions Code is amended to read:

2406. A medical corporation or podiatry corporation is a corporation that is authorized to render professional services, as defined in Sections 13401 and 13401.5 of the Corporations Code, so long as that corporation and its shareholders, officers, directors, and employees rendering professional services who are physicians and surgeons, psychologists, registered nurses, optometrists, podiatrists, chiropractors, acupuncturists, naturopathic doctors, physical therapists, occupational therapists, or, in the case of a medical corporation only, physician assistants, marriage and family therapists, or clinical social workers, are in compliance with the Moscone-Knox Professional Corporation Act, the provisions of 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 a medical corporation or podiatry corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the board.

SEC. 3. Section 2406.5 is added to the Business and Professions Code, to read:

2406.5. (a) A medical corporation or podiatry corporation that is authorized to render professional services, as defined in Sections 13401 and 13401.5 of the Corporations Code, shall disclose to its patients, orally and in writing, when initiating any physical therapy treatment services, that the patient may seek physical therapy treatment services from a physical therapy provider of his or her choice who may not necessarily be employed by the medical or podiatry corporation.

(b) This disclosure requirement shall not apply to any medical corporation that contracts with a health care service plan with a license issued pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) if the licensed health

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care service plan is also exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

- SEC. 4. Section 2620.1 is added to the Business and Professions Code, to read:
- 2620.1. (a) In addition to receiving wellness and evaluation services from a physical therapist, a person may initiate physical therapy treatment directly from a licensed physical therapist provided that the treatment is within the scope of practice of physical therapists, as defined in Section 2620, and that all the following conditions are met:
- (1) If, at any time, the physical therapist has reason to believe that the patient has signs or symptoms of a condition that requires treatment beyond the scope of practice of a physical therapist, the physical therapist shall refer the patient to a person holding a physician and surgeon's certificate issued by the Medical Board of California or by the Osteopathic Medical Board of California or to a person licensed to practice dentistry, podiatric medicine, or chiropractic.
- (2) The physical therapist shall comply with Article 6 (commencing with Section 650) of Chapter 1 of Division 2.
- (3) With the patient's written authorization, the physical therapist shall notify the patient's *primary* physician and surgeon, if any, that the physical therapist is treating the patient.
- (4) With respect to a patient initiating physical therapy treatment services directly from a physical therapist, the physical therapist shall not continue treating that patient beyond 30 business days or 12 visits, whichever occurs first, without receiving, from a person holding a physician and surgeon's certificate from the Medical Board of California or the Osteopathic Medical Board of California, or from a person holding a certificate to practice podiatric medicine from the California Board of Podiatric Medicine and acting within his or her scope of practice, a dated signature on the physical therapist's plan of care indicating approval of the physical therapist's plan of care. Approval of the physical therapist's plan of care shall include an appropriate patient examination by the person holding a physician and surgeon's certificate from the Medical Board of California or the Osteopathic Medical Board of California, or by the person holding a certificate to practice podiatric medicine from the California Board of Podiatric Medicine and acting within his or her scope of practice. For

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purposes of this paragraph, "business day" means any calendar day except Saturday, Sunday, or the following business holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

- (b) The conditions in paragraphs (1), (2), (3), and (4) of subdivision (a) do not apply to a physical therapist when providing evaluation or wellness physical therapy services to a patient as described in subdivision (a) of Section 2620 or treatment provided upon referral or diagnosis by a physician and surgeon, podiatrist, dentist, chiropractor, or other appropriate health care provider acting within his or her scope of practice. Nothing in this subdivision shall be construed to alter the disclosure requirements of Section 2406.5.
- (c) Nothing in this section shall be construed to expand or modify the scope of practice for physical therapists set forth in Section 2620, including the prohibition on a physical therapist diagnosing a disease.
- (d) Nothing in this section shall be construed to require a health care service plan, insurer, workers' compensation insurance plan, or any other person or entity, including, but not limited to, a state program or state employer, to provide coverage for direct access to treatment by a physical therapist.
- (e) When a person initiates physical therapy treatment services directly pursuant to this section, the physical therapist shall not perform physical therapy treatment services without first providing the following written notice, orally and in writing, on one page, in at least 14-point type, and obtaining a patient signature on the notice:

#### **Direct Physical Therapy Treatment Services**

You are receiving direct physical therapy treatment services from an individual who is not a physician and surgeon, but who is a physical therapist licensed by the Physical Therapy Board of California.

Under California law, you may continue to receive direct physical therapy treatment services for a period of 30 business days or 12 visits, whichever occurs first, after which time a physical therapist may continue providing you with physical therapy SB 924 —6—

treatment services only after receiving, from a person holding a physician and surgeon's certificate issued by the Medical Board of California or by the Osteopathic Medical Board of California, or from a person holding a certificate to practice podiatric medicine from the California Board of Podiatric Medicine and acting within his or her scope of practice, a dated signature on the physical therapist's plan of care indicating approval of the physical therapist's plan of care.

If you have received direct physical therapy treatment services for a duration of 30 business days or 12 visits, whichever occurs first, from a physical therapist, it may constitute unprofessional conduct for that physical therapist or for another physical therapist to provide direct physical therapy treatment services without receiving from a person holding a physician and surgeon's certificate issued by the Medical Board of California or by the Osteopathic Medical Board of California, or from a person holding a certificate to practice podiatric medicine from the California Board of Podiatric Medicine and acting within his or her scope of practice, a dated signature on the physical therapist's plan of care, indicating approval of the physical therapist's plan of care.

#### [Patient's Signature/Date]

SEC. 5. Section 2690 of the Business and Professions Code is amended to read:

2690. A physical therapy corporation is a corporation that is authorized to render professional services, as defined in Sections 13401 and 13401.5 of the Corporations Code, so long as that corporation and its shareholders, officers, directors, and employees rendering professional services who are physical therapists, physicians and surgeons, podiatrists, acupuncturists, naturopathic doctors, occupational therapists, speech-language pathologists, audiologists, registered nurses, psychologists, and physician assistants 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.

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With respect to a physical therapy corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the board.

- SEC. 6. Section 2694.5 is added to the Business and Professions Code, to read:
- 2694.5. A physical therapy corporation that is authorized to render professional services, as defined in Sections 13401 and 13401.5 of the Corporations Code, shall disclose to its patients, orally and in writing, when initiating any physical therapy treatment services, that the patient may seek physical therapy treatment services from a physical therapy provider of his or her choice who may not necessarily be employed by the physical therapy corporation.
- SEC. 7. Section 13401.5 of the Corporations Code is amended to read:
- 13401.5. Notwithstanding subdivision (d) of Section 13401 and any other provision of law, the following licensed persons may be shareholders, officers, directors, or professional employees of the professional corporations designated in this section so long as the sum of all shares owned by those licensed persons does not exceed 49 percent of the total number of shares of the professional corporation so designated herein, and so long as the number of those licensed persons owning shares in the professional corporation so designated herein does not exceed the number of persons licensed by the governmental agency regulating the designated professional corporation:
- 27 (a) Medical corporation.
- 28 (1) Licensed doctors of podiatric medicine.
- 29 (2) Licensed psychologists.
- 30 (3) Registered nurses.

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- 31 (4) Licensed optometrists.
- 32 (5) Licensed marriage and family therapists.
- 33 (6) Licensed clinical social workers.
- 34 (7) Licensed physician assistants.
- 35 (8) Licensed chiropractors.
- 36 (9) Licensed acupuncturists.
- 37 (10) Naturopathic doctors.
- 38 (11) Licensed professional clinical counselors.
- 39 (12) Licensed physical therapists.
- 40 (13) Licensed occupational therapists.

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- 1 (b) Podiatric medical corporation.
- 2 (1) Licensed physicians and surgeons.
- 3 (2) Licensed psychologists.
- 4 (3) Registered nurses.
- 5 (4) Licensed optometrists.
- 6 (5) Licensed chiropractors.
- 7 (6) Licensed acupuncturists.
- 8 (7) Naturopathic doctors.
- 9 (8) Licensed physical therapists.
- 10 (9) Licensed occupational therapists.
- 11 (c) Psychological corporation.
- 12 (1) Licensed physicians and surgeons.
- 13 (2) Licensed doctors of podiatric medicine.
- 14 (3) Registered nurses.
- 15 (4) Licensed optometrists.
- 16 (5) Licensed marriage and family therapists.
- 17 (6) Licensed clinical social workers.
- 18 (7) Licensed chiropractors.
- 19 (8) Licensed acupuncturists.
- 20 (9) Naturopathic doctors.
- 21 (10) Licensed professional clinical counselors.
- 22 (d) Speech-language pathology corporation.
- 23 (1) Licensed audiologists.
- 24 (e) Audiology corporation.
- 25 (1) Licensed speech-language pathologists.
- 26 (f) Nursing corporation.
- 27 (1) Licensed physicians and surgeons.
- 28 (2) Licensed doctors of podiatric medicine.
- 29 (3) Licensed psychologists.
- 30 (4) Licensed optometrists.
- 31 (5) Licensed marriage and family therapists.
- 32 (6) Licensed clinical social workers.
- 33 (7) Licensed physician assistants.
- 34 (8) Licensed chiropractors.
- 35 (9) Licensed acupuncturists.
- 36 (10) Naturopathic doctors.
- 37 (11) Licensed professional clinical counselors.
- 38 (g) Marriage and family therapist corporation.
- 39 (1) Licensed physicians and surgeons.
- 40 (2) Licensed psychologists.

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- 1 (3) Licensed clinical social workers.
- 2 (4) Registered nurses.
- 3 (5) Licensed chiropractors.
- 4 (6) Licensed acupuncturists.
- 5 (7) Naturopathic doctors.
- 6 (8) Licensed professional clinical counselors.
- 7 (h) Licensed clinical social worker corporation.
- 8 (1) Licensed physicians and surgeons.
- 9 (2) Licensed psychologists.
- 10 (3) Licensed marriage and family therapists.
- 11 (4) Registered nurses.
- 12 (5) Licensed chiropractors.
- 13 (6) Licensed acupuncturists.
- 14 (7) Naturopathic doctors.
- 15 (8) Licensed professional clinical counselors.
- 16 (i) Physician assistants corporation.
- 17 (1) Licensed physicians and surgeons.
- 18 (2) Registered nurses.
- 19 (3) Licensed acupuncturists.
- 20 (4) Naturopathic doctors.
- 21 (j) Optometric corporation.
- 22 (1) Licensed physicians and surgeons.
- 23 (2) Licensed doctors of podiatric medicine.
- 24 (3) Licensed psychologists.
- 25 (4) Registered nurses.
- 26 (5) Licensed chiropractors.
- 27 (6) Licensed acupuncturists.
- 28 (7) Naturopathic doctors.
- 29 (k) Chiropractic corporation.
- 30 (1) Licensed physicians and surgeons.
- 31 (2) Licensed doctors of podiatric medicine.
- 32 (3) Licensed psychologists.
- 33 (4) Registered nurses.
- 34 (5) Licensed optometrists.
- 35 (6) Licensed marriage and family therapists.
- 36 (7) Licensed clinical social workers.
- 37 (8) Licensed acupuncturists.
- 38 (9) Naturopathic doctors.
- 39 (10) Licensed professional clinical counselors.
- 40 (/) Acupuncture corporation.

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- 1 (1) Licensed physicians and surgeons.
- 2 (2) Licensed doctors of podiatric medicine.
- 3 (3) Licensed psychologists.
- 4 (4) Registered nurses.
- 5 (5) Licensed optometrists.
- 6 (6) Licensed marriage and family therapists.
- 7 (7) Licensed clinical social workers.
- 8 (8) Licensed physician assistants.
- 9 (9) Licensed chiropractors.
- 10 (10) Naturopathic doctors.
- 11 (11) Licensed professional clinical counselors.
- 12 (m) Naturopathic doctor corporation.
- 13 (1) Licensed physicians and surgeons.
- 14 (2) Licensed psychologists.
- 15 (3) Registered nurses.
- 16 (4) Licensed physician assistants.
- 17 (5) Licensed chiropractors.
- 18 (6) Licensed acupuncturists.
- 19 (7) Licensed physical therapists.
- 20 (8) Licensed doctors of podiatric medicine.
- 21 (9) Licensed marriage and family therapists.
- 22 (10) Licensed clinical social workers.
- 23 (11) Licensed optometrists.
- 24 (12) Licensed professional clinical counselors.
- 25 (n) Dental corporation.
- 26 (1) Licensed physicians and surgeons.
- 27 (2) Dental assistants.
- 28 (3) Registered dental assistants.
- 29 (4) Registered dental assistants in extended functions.
- 30 (5) Registered dental hygienists.
- 31 (6) Registered dental hygienists in extended functions.
- 32 (7) Registered dental hygienists in alternative practice.
- 33 (o) Professional clinical counselor corporation.
- 34 (1) Licensed physicians and surgeons.
- 35 (2) Licensed psychologists.
- 36 (3) Licensed clinical social workers.
- 37 (4) Licensed marriage and family therapists.
- 38 (5) Registered nurses.
- 39 (6) Licensed chiropractors.
- 40 (7) Licensed acupuncturists.

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- (8) Naturopathic doctors. 1
- (p) Physical therapy corporation. 2
- (1) Licensed physicians and surgeons. 3
- (2) Licensed doctors of podiatric medicine. 4
- (3) Licensed acupuncturists. 5
- (4) Naturopathic doctors. 6
- (5) Licensed occupational therapists. 7
- (6) Licensed speech-language pathologists. 8
- (7) Licensed audiologists. 9
- (8) Registered nurses. 10
- (9) Licensed psychologists. 11
- (10) Licensed physician assistants. 12
- SEC. 8. No reimbursement is required by this act pursuant to 13 Section 6 of Article XIIIB of the California Constitution because
- 14 the only costs that may be incurred by a local agency or school
- 15
- district will be incurred because this act creates a new crime or
- infraction, eliminates a crime or infraction, or changes the penalty 17
- for a crime or infraction, within the meaning of Section 17556 of 18
- the Government Code, or changes the definition of a crime within
- the meaning of Section 6 of Article XIIIB of the California 20
- 21 Constitution.

# AMENDED IN SENATE MAY 14, 2012 AMENDED IN SENATE MARCH 27, 2012

#### SENATE BILL

No. 975

#### Introduced by Senator Wright

January 19, 2012

An act to add Section 101.2 to the Business and Professions Code, relating to professions and vocations.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 975, as amended, Wright. Professions and vocations: regulatory authority.

Existing law, the Business and Professions Code, provides for the licensure and regulation of various professions and vocations by boards, bureaus, and commissions within the Department of Consumer Affairs. Under existing law, a city or county shall not prohibit a person or group of persons, authorized by one of these boards, bureaus, or commissions, as specified, to engage in a particular business from engaging in that business, and shall not prohibit a healing arts professional licensed by one of those boards from engaging in any act or performing any procedure that falls within the professionally recognized scope of practice of that licensee.

This bill would provide that those boards, bureaus, and commissions have the sole and exclusive authority to license and regulate the practice of professions and vocations regulated by those boards pursuant to provisions of that code, and that no licensing requirements, as specified, shall be imposed upon a person licensed to practice one of those professions or vocations other than under that code or by regulation promulgated by the applicable board through its authority granted under that code. The bill would prohibit a city, county, city and county, school

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district, other special district, a local or regional agency, or joint powers agency from imposing a licensing requirement upon a person licensed to practice a profession or vocation regulated by one of these boards. The bill would state findings and declarations of the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

#### The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) The State of California, State and Consumer Services

Agency, contains the Department of Consumer Affairs, which

contains approximately 38 boards, bureaus, and commissions the

mission of which is to regulate specified professions and vocations.

In addition to those boards, bureaus, and commissions, the state

government also is comprised of dozens of other state agencies,

departments, boards, bureaus, and commissions.

(b) California local government is comprised of 58 counties, approximately 470 cities, and over 2,000 special districts, local and regional agencies, and joint powers agencies.

(c) If other state governmental entities or local governmental entities were to require persons licensed to practice a profession or vocation by a board, bureau, or commission within the Department of Consumer Affairs to satisfy additional licensing requirements in order to practice their professions or vocations, before or within the respective governmental entity, this would impose enormous regulatory burdens upon those persons.

(d) The practice of adopting continuing education requirements through regulatory action, and the imposition of mandatory training programs to satisfy requirements for licensure, certification, or registration, is becoming more prevalent with each passing year as authority is shifted from direct legislative action to increasingly broad, yet undefined, regulatory mandates.

(e) The imposition of educational and training requirements by these governmental entities, in addition to state licensing requirements, inhibits the practice of those professions within or before those governmental entities.

(f) Further, as additional licensing requirements are imposed, it is becoming difficult and impractical for the state and local

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governmental entities to administer conflicting and diverse requirements, resulting in greater confusion and increased costs.

- (g) It is therefore imperative that the licensed professions and vocations have a single set of licensing requirements that apply uniformly throughout the state and apply equally in all state and local governmental entities, and that licensed professionals clearly understand the expectations with which they must comply in order to legally operate within their scopes of practice in the state.
- SEC. 2. Section 101.2 is added to the Business and Professions Code, to read:
- 101.2. (a) (1) The boards specified in Section 101 shall have the sole and exclusive authority to license and regulate the practice of professions and vocations regulated by those boards pursuant to provisions of this code.
- (2) No city, county, city and county, school district, other special district, local or regional agency, or joint powers agency, shall impose a licensing requirement upon a person licensed to practice a profession or vocation regulated by a board specified in Section 101.
- (3) A licensing requirement shall not be imposed upon a person licensed to practice a profession or vocation regulated by a board specified in Section 101 other than by this code or by regulation promulgated by the applicable board through its authority granted under this code.
- (b) For purposes of this section, "licensing requirements" include, but are not limited to, the following with respect to a profession or vocation licensed and regulated by a board specified in Section 101:
- (1) Additional training or certification requirements to practice within the scope of practice of a profession or vocation licensed under this code.
- (2) Continuing education requirements for renewal or continuation of licensure.
- (3) Any additional experience or qualification requirements beyond those provided in this code or pursuant to regulations promulgated by the applicable board specified in Section 101 through its authority granted under this code.
- 38 (c) Nothing in this section shall be construed to do either of the following:

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(1) Prohibit parties from contractually agreeing to additional experience, qualifications, or training of a licensee under this code in connection with performance of a contract. 1

(2) Prohibit a licensee from voluntarily undertaking satisfaction of certification programs not required under this code for licensure by a board specified in Section 101.

# AMENDED IN SENATE MAY 29, 2012 AMENDED IN SENATE MAY 1, 2012

#### SENATE BILL

No. 1228

#### **Introduced by Senator Alquist**

February 23, 2012

An act to amend Section 1250 of, and to add Article 7.2 (commencing with Section 1323.5) to Chapter 2 of Division 2 of, the Health and Safety Code, relating to small house skilled nursing facilities.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1228, as amended, Alquist. Small house skilled nursing facilities. Existing law provides for the licensure and regulation of health facilities, including skilled nursing facilities, as defined, by the State Department of Public Health. Violation of these provisions is a crime.

This bill, commencing January 1, 2014, would create a new health facility licensing category for a small house skilled nursing facility, to be defined by the bill as a skilled nursing facility that is either a stand-alone home or that consists, a facility consisting of more than one home, or a distinct area within a facility, as specified, that is licensed for the purposes of providing skilled nursing care in a homelike, noninstitutional setting. The bill would require that these facilities comply with applicable state law governing skilled nursing facilities, except as specified. The bill would require the department to review license applications and render a decision within 6 months of receipt. The bill would require the department and the Office of Statewide Health Planning and Development to consult with specified entities on various aspects of small house skilled nursing facilities. The bill would require the department to adopt regulations implementing these provisions.

**—2** — **SB 1228** 

By expanding the scope of a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this ac for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 1250 of the Health and Safety Code is 1 2 amended to read:

1250. As used in this chapter, "health facility" means any facility, place, or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer, and includes the following types:

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(a) "General acute care hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services. A general acute care hospital may include more than one physical plant maintained and operated on separate premises as provided in Section 1250.8. A general acute care hospital that exclusively provides acute medical rehabilitation center services, including at least physical therapy, occupational therapy, and speech therapy, may provide for the required surgical and anesthesia services through a contract with another acute care hospital. In addition, a general acute care hospital that, on July 1, 1983, provided required surgical and anesthesia services through a contract or agreement with another acute care hospital may continue to provide these surgical and anesthesia services through a contract or agreement with an acute care hospital. The general acute care hospital operated by the State

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Department of Developmental Services at Agnews Developmental Center may, until June 30, 2007, provide surgery and anesthesia services through a contract or agreement with another acute care hospital. Notwithstanding the requirements of this subdivision, a general acute care hospital operated by the Department of Corrections and Rehabilitation or the Department of Veterans Affairs may provide surgery and anesthesia services during normal weekday working hours, and not provide these services during other hours of the weekday or on weekends or holidays, if the general acute care hospital otherwise meets the requirements of this section.

A "general acute care hospital" includes a "rural general acute care hospital." However, a "rural general acute care hospital" shall not be required by the department to provide surgery and anesthesia services. A "rural general acute care hospital" shall meet either of the following conditions:

- (1) The hospital meets criteria for designation within peer group six or eight, as defined in the report entitled Hospital Peer Grouping for Efficiency Comparison, dated December 20, 1982.
- (2) The hospital meets the criteria for designation within peer group five or seven, as defined in the report entitled Hospital Peer Grouping for Efficiency Comparison, dated December 20, 1982, and has no more than 76 acute care beds and is located in a census dwelling place of 15,000 or less population according to the 1980 federal census.
- (b) "Acute psychiatric hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care for mentally disordered, incompetent, or other patients referred to in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy, and dietary services.
- (c) (1) "Skilled nursing facility" means a health facility that provides skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis.
- 39 (2) "Skilled nursing facility" includes a "small house skilled nursing facility (SHSNF)," as defined in Section 1323.5.

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(d) "Intermediate care facility" means a health facility that provides inpatient care to ambulatory or nonambulatory patients who have recurring need for skilled nursing supervision and need supportive care, but who do not require availability of continuous skilled nursing care.

- (e) "Intermediate care facility/developmentally disabled habilitative" means a facility with a capacity of 4 to 15 beds that provides 24-hour personal care, habilitation, developmental, and supportive health services to 15 or fewer persons with developmental disabilities who have intermittent recurring needs for nursing services, but have been certified by a physician and surgeon as not requiring availability of continuous skilled nursing care.
- (f) "Special hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical or dental staff that provides inpatient or outpatient care in dentistry or maternity.
- (g) "Intermediate care facility/developmentally disabled" means a facility that provides 24-hour personal care, habilitation, developmental, and supportive health services to persons with developmental disabilities whose primary need is for developmental services and who have a recurring but intermittent need for skilled nursing services.
- (h) "Intermediate care facility/developmentally disabled-nursing" means a facility with a capacity of 4 to 15 beds that provides 24-hour personal care, developmental services, and nursing supervision for persons with developmental disabilities who have intermittent recurring needs for skilled nursing care but have been certified by a physician and surgeon as not requiring continuous skilled nursing care. The facility shall serve medically fragile persons with developmental disabilities or who demonstrate significant developmental delay that may lead to a developmental disability if not treated.
- (i) (1) "Congregate living health facility" means a residential home with a capacity, except as provided in paragraph (4), of no more than 12 beds, that provides inpatient care, including the following basic services: medical supervision, 24-hour skilled nursing and supportive care, pharmacy, dietary, social, recreational, and at least one type of service specified in paragraph (2). The primary need of congregate living health facility residents shall

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be for availability of skilled nursing care on a recurring, intermittent, extended, or continuous basis. This care is generally less intense than that provided in general acute care hospitals but more intense than that provided in skilled nursing facilities.

(2) Congregate living health facilities shall provide one of the following services:

- (A) Services for persons who are mentally alert, persons with physical disabilities, who may be ventilator dependent.
- (B) Services for persons who have a diagnosis of terminal illness, a diagnosis of a life-threatening illness, or both. Terminal illness means the individual has a life expectancy of six months or less as stated in writing by his or her attending physician and surgeon. A "life-threatening illness" means the individual has an illness that can lead to a possibility of a termination of life within five years or less as stated in writing by his or her attending physician and surgeon.
- (C) Services for persons who are catastrophically and severely disabled. A person who is catastrophically and severely disabled means a person whose origin of disability was acquired through trauma or nondegenerative neurologic illness, for whom it has been determined that active rehabilitation would be beneficial and to whom these services are being provided. Services offered by a congregate living health facility to a person who is catastrophically disabled shall include, but not be limited to, speech, physical, and occupational therapy.
- (3) A congregate living health facility license shall specify which of the types of persons described in paragraph (2) to whom a facility is licensed to provide services.
- (4) (A) A facility operated by a city and county for the purposes of delivering services under this section may have a capacity of 59 beds.
- (B) A congregate living health facility not operated by a city and county servicing persons who are terminally ill, persons who have been diagnosed with a life-threatening illness, or both, that is located in a county with a population of 500,000 or more persons, or located in a county of the 16th class pursuant to Section 28020 of the Government Code, may have not more than 25 beds for the purpose of serving persons who are terminally ill.
- (C) A congregate living health facility not operated by a city and county serving persons who are catastrophically and severely

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disabled, as defined in subparagraph (C) of paragraph (2) that is located in a county of 500,000 or more persons may have not more than 12 beds for the purpose of serving persons who are catastrophically and severely disabled.

- (5) A congregate living health facility shall have a noninstitutional, homelike environment.
- (i) (1) "Correctional treatment center" means a health facility operated by the Department of Corrections and Rehabilitation, the Department of Corrections and Rehabilitation, Division of Juvenile Facilities, or a county, city, or city and county law enforcement agency that, as determined by the state department, provides inpatient health services to that portion of the inmate population who do not require a general acute care level of basic services. This definition shall not apply to those areas of a law enforcement facility that houses inmates or wards that may be receiving outpatient services and are housed separately for reasons of improved access to health care, security, and protection. The health services provided by a correctional treatment center shall include, but are not limited to, all of the following basic services: physician and surgeon, psychiatrist, psychologist, nursing, pharmacy, and dietary. A correctional treatment center may provide the following services: laboratory, radiology, perinatal, and any other services approved by the state department.
- (2) Outpatient surgical care with anesthesia may be provided, if the correctional treatment center meets the same requirements as a surgical clinic licensed pursuant to Section 1204, with the exception of the requirement that patients remain less than 24 hours.
- (3) Correctional treatment centers shall maintain written service agreements with general acute care hospitals to provide for those inmate physical health needs that cannot be met by the correctional treatment center.
- (4) Physician and surgeon services shall be readily available in a correctional treatment center on a 24-hour basis.
- (5) It is not the intent of the Legislature to have a correctional treatment center supplant the general acute care hospitals at the California Medical Facility, the California Men's Colony, and the California Institution for Men. This subdivision shall not be construed to prohibit the Department of Corrections and

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Rehabilitation from obtaining a correctional treatment center license at these sites.

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- (k) "Nursing facility" means a health facility licensed pursuant to this chapter that is certified to participate as a provider of care either as a skilled nursing facility in the federal Medicare Program under Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) or as a nursing facility in the federal Medicaid Program under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.), or as both.
- (1) Regulations defining a correctional treatment center described in subdivision (j) that is operated by a county, city, or city and county, the Department of Corrections and Rehabilitation, or the Department of Corrections and Rehabilitation, Division of Juvenile Facilities, shall not become effective prior to, or if effective, shall be inoperative until January 1, 1996, and until that time these correctional facilities are exempt from any licensing requirements.
- facility/developmentally (m) "Intermediate care disabled-continuous nursing (ICF/DD-CN)" means a homelike facility with a capacity of four to eight, inclusive, beds that provides 24-hour personal care, developmental services, and nursing supervision for persons with developmental disabilities who have continuous needs for skilled nursing care and have been certified by a physician and surgeon as warranting continuous skilled nursing care. The facility shall serve medically fragile persons who have developmental disabilities or demonstrate significant developmental delay that may lead to a developmental disability if not treated. ICF/DD-CN facilities shall be subject to licensure under this chapter upon adoption of licensing regulations in accordance with Section 1275.3. A facility providing continuous skilled nursing services to persons with developmental disabilities pursuant to Section 14132.20 or 14495.10 of the Welfare and Institutions Code shall apply for licensure under this subdivision within 90 days after the regulations become effective, and may continue to operate pursuant to those sections until its licensure application is either approved or denied.
- SEC. 2. Article 7.2 (commencing with Section 1323.5) is added to Chapter 2 of Division 2 of the Health and Safety Code, to read:

Article 7.2. Small House Skilled Nursing Facilities

1323.5. (a) For purposes of this article, the following definitions apply:

(1) "Home" means an apartment, home, or other similar unit

that serves-10 12 or fewer residents.

- (2) "Small house skilled nursing facility (SHSNF)" or "facility" means a skilled nursing facility that is either a stand-alone home or that consists of more than one home, licensed pursuant to this article, article for the purposes of providing skilled nursing care in a homelike, noninstitutional setting. setting and is one of the following:
  - (A) A stand-alone home.

(B) A facility that consists of more than one home.

- (Ć) A distinct area within an existing skilled nursing facility that otherwise meets the definition of home, pursuant to paragraph (1), has been dedicated to the small house model, has a distinct entry, and has no through traffic of staff, residents, or visitors not affiliated with the household.
- (3) "Versatile worker" means a certified nursing assistant who provides personal care, socialization, activity aide services, meal preparation services, and laundry and housekeeping services.

(b) Commencing January 1, 2014, a facility may be licensed by the department pursuant to this article if the facility meets all of

the following requirements:

(1) The facility shall be certified to participate as a provider of care either as a skilled nursing facility in the federal Medicare Program under Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) or as a nursing facility in the federal Medicaid Program under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.), or as both.

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(1) The facility shall comply with all state laws and regulations that govern skilled nursing facilities, except as provided in this paragraph. If regulations are in conflict with any provision of this article, the department or the Office of Statewide Health Planning and Development may waive one or more of these regulations in order to permit these facilities to implement the provision and meet licensure requirements, if the department or the office determines that doing so will not jeopardize the health and safety of a facility's

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residents. In making this determination, the department or office shall consider whether the practice contained in the provision has been demonstrated safely in other states, and shall also consider peer-reviewed research.

(3)

(2) To the extent permitted under federal law, the facility shall provide meals cooked on the premises of each home, and not prepared in a central kitchen and transported to the home.

<del>(4)</del>

(3) To the extent permitted under federal law, the facility shall utilize versatile workers for purposes of resident care.

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(4) The facility shall meet all federal and state direct care staffing requirements for skilled nursing facilities, or no less than four hours per resident per day, whichever is greater. All direct care staff shall be onsite, awake, and available within each home at all times.

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(5) The facility shall provide for consistent staff assignments and self-directed self-managed work teams of direct care staff supervised by a leadership team member who is not acting as a nurse or nursing supervisor in the home. Licensed nursing staff shall direct the versatile workers in all activities delegated under the licensed nurses' scope of practice. A versatile worker may be supervised by nonclinical staff at the discretion of the facility.

(7)

(6) (A) The facility shall provide training for all staff involved in the operation of the home for not less than 120 hours for each versatile worker and not less than 60 hours for each leadership and elinical team member, to be completed prior to initial operation of the home, concerning the philosophy, operations, and skills required to implement and maintain self-directed care, self-managed work teams, a noninstitutional approach to long-term care, safety and emergency skills, food handling and safety, and other elements necessary for the successful operation of the home. Versatile workers and other staff interacting with residents in the homes shall demonstrate proficiency in these areas as well as the facility's policies and procedures, conflict resolution, and self-directed care principles.

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(B) Replacement staff shall undergo the training described in subparagraph (A) within six weeks of commencing employment with the facility.

(C) Any staff members who are employed on a short-term, temporary basis due to permanent staff illness or unexpected absence are exempt from the training requirements specified in subparagraph (A).

(8) (A) To the extent permitted under federal law, the facility shall ensure that the percentage of residents in each facility who are short-stay rehabilitation residents does not exceed 20 percent at any time, except that a long-term resident returning to a facility after a hospital stay who is receiving rehabilitation services for which payment is made under the Medicare Program under Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.), shall not be counted toward this limitation.

(B) Subparagraph (A) does not apply to a facility that is licensed pursuant to this article as a facility that solely provides rehabilitation services.

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(7) To the extent permitted under federal law, each home shall consist of a homelike, rather than institutional, environment, including the following characteristics:

- (A) The home shall be accessible to disabled persons, and shall be designed as a house or, an apartment, or a distinct area within an existing skilled nursing facility that meets the standards described in subdivision (a) that is similar to housing available within the surrounding community, that includes shared areas that would only be commonly shared in a private home or apartment.
- (B) The home shall not, to the extent practicable, contain institutional features. These include, but are not limited to, nursing stations, medication carts, room numbers, and wall-mounted licenses or certificates that could appropriately be accessed through other means.
- (C) (i) The home shall include resident rooms that accommodate not more than two residents per room. Facilities are encouraged to include private, single-occupancy bedrooms that are shared only at the request of a resident to accommodate a spouse, partner, family member, or friend, and that contain a full private and accessible bathroom.

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(ii) Double occupancy rooms shall contain a full private and accessible bathroom, and each resident's bedroom area shall be visually separated from the other by a full height wall or a permanently installed sliding door, folding door, or partition. Walls, doors, or partitions used to separate resident bedroom areas shall provide visual and acoustic separation. A door leading to each resident's bedroom area in addition to the corridor door is not required.

(iii) Each resident shall have direct use of, and access to, an

exterior window at all times.

- (D) The home shall contain a living area where residents and staff may socialize, dine, and prepare food together that provides, at a minimum, a living room seating area, a dining area large enough to accommodate all residents and at least two staff members, and a full kitchen that may be utilized by residents.
- (E) The home shall contain ample natural light with window areas, not including skylights, being a minimum of 10 percent of the area of each room.
- (F) The home shall have built-in safety features to allow all areas of the facility to be accessible to residents during the majority of the day and night.
  - (G) The home shall provide access to secured outdoor space.
- (H) The home shall endeavor to create an aging in place environment where long-stay residents may form permanent homes with each other.
- (c) The facility shall be certified to participate as a provider of care either as a skilled nursing facility in the federal Medicare Program under Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) or as a nursing facility in the federal Medicaid Program under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.), or both.
- (c) Within two months of receipt of a license application, the department shall notify the applicant of any information necessary to process the application. The department shall review each application and render a decision within six months of receipt of the application.
- (d) The department and the Office of Statewide Health Planning and Development shall consult with providers, employee organizations, consumer advocates, and other interested stakeholders, including groups with demonstrated experience in

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small house skilled nursing facility operations, on the physical, operational, and other aspects of small house skilled nursing facilities.

4 (e) The department shall adopt regulations to implement this section.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California

14 Constitution.

## AMENDED IN SENATE APRIL 26, 2012 AMENDED IN SENATE APRIL 9, 2012

## **SENATE BILL**

No. 1274

## Introduced by Senator Wolk

February 23, 2012

An act to amend Section 2401 of the Business and Professions Code, relating to healing arts.

### LEGISLATIVE COUNSEL'S DIGEST

SB 1274, as amended, Wolk. Healing arts: hospitals: employment. Existing law, the Medical Practice Act, restricts the employment of licensed physicians and surgeons and podiatrists by a corporation or other artificial legal entity, subject to specified exemptions.

This bill would authorize a hospital that is owned and operated by a licensed charitable organization, that offers only pediatric subspecialty care, that, prior to January 1, 2013, employed licensees on a salary basis, and that has not charged for professional services rendered to patients, to charge for services rendered to patients, provided certain conditions are met, including, but not limited to, that the hospital does not increase the number of salaried licensees by more than 5 each year, that the hospital accepts each patient regardless of his or her ability to pay, and that the medical staff concur by an affirmative vote that the physician and surgeon's licensee's employment meets a specified standard.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. Section 2401 of the Business and Professions Code is amended to read:

- 2401. (a) Notwithstanding Section 2400, a clinic operated primarily for the purpose of medical education by a public or private nonprofit university medical school, which is approved by the Division of Licensing board or the Osteopathic Medical Board of California, may charge for professional services rendered to teaching patients by licensees who hold academic appointments on the faculty of the university, if the charges are approved by the physician and surgeon in whose name the charges are made.
- (b) Notwithstanding Section 2400, a clinic operated under subdivision (p) of Section 1206 of the Health and Safety Code may employ licensees and charge for professional services rendered by those licensees. However, the clinic shall not interfere with, control, or otherwise direct the professional judgment of a physician and surgeon in a manner prohibited by Section 2400 or any other provision of law.
- (c) Notwithstanding Section 2400, a narcotic treatment program operated under Section 11876 of the Health and Safety Code and regulated by the State Department of Alcohol and Drug Programs, may employ licensees and charge for professional services rendered by those licensees. However, the narcotic treatment program shall not interfere with, control, or otherwise direct the professional judgment of a physician and surgeon in a manner prohibited by Section 2400 or any other provision of law.
- (d) Notwithstanding Section 2400, a hospital owned and operated by a health care district pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code may employ a licensee pursuant to Section 2401.1, and may charge for professional services rendered by the licensee, if the physician and surgeon in whose name the charges are made approves the charges. However, the hospital shall not interfere with, control, or otherwise direct the physician and surgeon's professional judgment in a manner prohibited by Section 2400 or any other provision of law.
- (e) Notwithstanding Section 2400, a hospital that is owned and operated by a licensed charitable organization, that offers only pediatric subspecialty care, that, prior to January 1, 2013, employed

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licensees on a salary basis, and that has not charged for professional services rendered to patients may, commencing January 1, 2013, charge for *professional* services rendered to patients, provided the following conditions are met:

(1) The hospital does not increase the number of salaried licensees by more than five physicians and surgeons or podiatrists

licensees each year.

(2) The hospital does not expand its scope of services beyond pediatric subspecialty care.

(3) The hospital accepts each patient needing its scope of services regardless of his or her ability to pay, including whether the patient has any form of health insurance care coverage.

(4) The medical staff concur by an affirmative vote that the physician and surgeon's licensee's employment is in the best interest of the communities served by the hospital.

(5) The hospital does not interfere with, control, or otherwise direct the a physician and surgeon's professional judgment in a manner prohibited by Section 2400 or any other provision of law.

# Introduced by Senator Cannella (Coauthors: Senators Berryhill, Dutton, Harman, and La Malfa) (Coauthors: Assembly Members Alejo, Jeffries, Portantino, and Silva)

### February 23, 2012

An act to add Section 12019.5 to the Government Code, relating to state government.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1327, as introduced, Cannella. State government: business information: Internet Web site.

Existing law requires a business to obtain various licenses from regulatory agencies. Existing law requires state agencies to take specified actions, including, but not limited to, designating a small business liaison, to assist small businesses to achieve compliance with statutory and regulatory requirements.

This bill would require the Governor to establish an Internet Web site to assist an individual with the licensing, permitting, and registration requirements necessary to start a business. The bill would require a state agency that the Governor determines has licensing authority to provide accurate updated information about its licensing requirements, and would prohibit a state agency from using this Internet Web site as the exclusive source of licensing information for the public. The bill would also authorize the Governor to impose a reasonable fee upon users of the Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. Section 12019.5 is added to the Government Code, to read:

- 12019.5. (a) The Governor, or his or her designee, shall establish an Internet Web site to provide an individual with all of the necessary information on how to start a business in this state. The Internet Web site shall contain information on the licensing, permitting, and registration requirements of state agencies, and shall include, but not be limited to, information that does all of the following:
- (1) Assists individuals with identifying the type of applications, forms, or other similar documents an applicant may need.
- (2) Provides a digital copy of all state applications, forms, or other similar documents available for download.
- (3) Instructs individuals on how and where to submit applications, forms, or other similar documents.
- (b) The Governor shall ensure that the Internet Web site is user friendly and provides accurate, updated information.
- (c) (1) Each state agency that the Governor determines has licensing authority shall provide accurate updated information about its licensing requirements.
- (2) A state agency shall not use the Internet Web site established under this section as the exclusive source of information for the public to access licensing requirements for that agency.
- 24 (d) The Governor, or his or her designee, may impose a 25 reasonable fee as a condition of accessing information on the 26 Internet Web site established under subdivision (a).

Introduced by Committee on Business, Professions and Economic Development (Senators Price (Chair), Corbett, Correa, Emmerson, Hernandez, Negrete McLeod, Strickland, Vargas, and Wyland)

### March 12, 2012

An act to amend Sections 1934, 1950.5, 2021, 2064, 2184, 2220, 2424, 2516, 2518, 2904.5, 3057.5, 3742, 3750, 3750.5, 4209, 4600, 4601, 4603.7, 4612, 4980.04, 4980.34, 4980.398, 4980.399, 4980.43, 4980.44, 4980.48, 4980.78, 4980.80, 4984.4, 4989.16, 4989.42, 4992.07, 4992.09, 4996.6, 4999.22, 4999.32, 4999.46, 4999.57, 4999.58, 4999.59, 4999.62, 4999.76, 4999.90, 4999.106, and 4999.120 of, to add Section Sections 144.5, 1902.2, 1942, 1958.1, and 4300.1 to repeal Section 1909.5 of, and to repeal and amend Section 4999.45 of, the Business and Professions Code, relating to professions and vocations.

### LEGISLATIVE COUNSEL'S DIGEST

SB 1575, as amended, Committee on Business, Professions and Economic Development. Professions and vocations.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs.

(1) Under existing law, specified professions and vocations boards are required to require an applicant to furnish to the board a full set of fingerprints in order to conduct a criminal history record check.

This bill would authorize such a board to request, and would require a local or state agency to provide, certified records of, among other things, all arrests and convictions needed by a board to complete an applicant or licensee investigation. By imposing additional duties on local agencies, the bill would impose a state-mandated local program.

(2) Existing law, the Dental Practice Act, provides for the licensure and regulation of the practice of dentistry by the Dental Board of California within the Department of Consumer Affairs. Existing law establishes the Dental Hygiene Committee of California under the jurisdiction of the board and provides for the licensure and regulation of the practice of dental hygienists by the committee.

This bill would require dental hygienists, upon initial licensure and renewal, to report their employment status to the committee and would require that information to be posted on the committee's Internet Web site. This bill would also require an approval dental hygiene education program to register extramural dental facilities, as defined, with the committee.

Existing law provides that a dental hygienist may have his or her license suspended or revoked by the board for committing acts of unprofessional conduct, as defined.

This bill would include within the definition of unprofessional conduct the aiding or abetting of the unlicensed or unlawful practice of dental hygiene and knowingly failing to follow infection control guidelines, as specified.

Existing law authorizes the committee to deny an application for licensure or to revoke or suspend a license for specified reasons.

This bill would require the committee to deny a license or renewal of a license to any person who is required by law to register as a sex offender.

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(3) Existing law, the Medical Practice Act, provides for the licensure and regulation of physicians and surgeons by the Medical Board of California. Under existing law, the board issues a physician and surgeon's certificate to a licensed physician and surgeon. Existing law provides for the licensure and regulation of the practice of podiatric medicine by the California Board of Podiatric Medicine within the Medical Board of California.

Existing law requires the Medical Board of California and the California Board of Podiatric Medicine to provide written notification by certified mail to any physician and surgeon or podiatrist who does not renew his or her license within 60 days of expiration.

This bill would require the Medical Board of California and the California Board of Podiatric Medicine to provide that written

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notification either by certified mail or by electronic mail if requested by the licensee. The bill would require the Medical Board of California to annually send an electronic notice to all licensees and applicants requesting confirmation that his or her electronic mail address is current.

Existing law authorizes the Medical Board of California to take action against all persons guilty of violating the Medical Practice Act. Existing law requires the Medical Board of California to enforce and administer various disciplinary provisions as to physician and surgeon certificate holders.

This bill would specify that those certificate holders include those who hold certificates that do not permit them to practice medicine, such as, but not limited to, retired, inactive, or disabled status certificate holders.

(3)

(4) Existing law, the Licensed Midwifery Practice Act of 1993, provides for the licensure and regulation of the practice of licensed midwifery by the Medical Board of California. A violation of the act is a crime. Under existing law, these licenses are subject to biennial renewal that includes the payment of a specified fee and the completion of specified continuing education.

This bill would exempt a licensee from those renewal requirements if the licensee has applied to the board and has been issued a retired status license. The bill would prohibit the holder of a retired status license from engaging in the practice of midwifery. Because a violation of that prohibition would constitute a crime, the bill would impose a state-mandated local program.

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(5) Existing law, the Psychology Licensing Law, provides for the licensure and regulation of psychologists by the Board of Psychology. Existing law provides that a licensed psychologist is a health care practitioner for purposes of specified telehealth provisions that concern the delivery of health care via information and communication technologies.

This bill would instead provide that a licensed psychologist is a health care provider subject to those telehealth provisions.

<del>(5)</del>

(6) Existing law, the Respiratory Care Practice Act, provides for the licensure and regulation of the practice of respiratory care by the Respiratory Care Board of California.

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Under existing law, during the period of any clinical training, a student respiratory care practitioner is required to be under the direct supervision, as defined, of a person holding a valid and current license.

This bill would require such a student to be under the direct supervision of a person with a valid, current, and unrestricted license.

Existing law authorizes the board to order the denial, suspension, or revocation of, or the imposition of probationary conditions upon, a license for specified causes including a pattern of substandard care.

This bill would expand that provision to also include negligence in the licensee's practice as a respiratory care practitioner, or in any capacity as a health care worker, consultant, supervisor, manager or health facility owner, or as a party responsible for the care of another.

Existing law authorizes the board to deny, suspend, place on probation, or revoke the license of any applicant or licenseholder who has obtained, possessed, used, or administered to himself or herself, or furnished or administered to another, any controlled substances or dangerous drug, except as directed by a specified health care provider.

This bill would also make illegally possessing any associated paraphernalia a ground for the denial, suspension, placing on probation, or revocation of a license.

(7) Existing law, the Pharmacy Law, provides for the California State Board of Pharmacy within the Department of Consumer Affairs, to license and regulate the practice of pharmacy.

Existing law authorizes the board to suspend or revoke a license if the holder has been convicted of certain crimes or has engaged in unprofessional conduct, as specified.

This bill would modify the practice requirements applicable to intern pharmacists. The bill would also provide that the board continues to have jurisdiction in a disciplinary action against a licensee, even if the license is expired, cancelled, forfeited, suspended, revoked, placed on retired status, or voluntarily surrendered.

(8) Existing law provides for the voluntary certification of massage practitioners and massage therapists by the California Massage Therapy Council. Existing law provides specified educational and other requirements for an applicant to obtain a massage therapy certificate.

This bill would set minimum educational hour and course requirements for an applicant to qualify to receive a massage therapy certificate. The bill would also define "operator of a massage business" for purposes of these provisions.

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Existing law requires a certificate holder to display the certificate at his or her place of business.

This bill would require the certificate holder to display the original certificate at his or her place of business and to have the identification card, issued by the council, with him or her whenever providing massage therapy services. This bill would also require a massage therapist to surrender his or her identification card when his or her certificate is suspended or revoked.

Existing law authorizes a city, county, or city and county to require background checks of certain uncertified owners or operators of massage therapy establishments.

This bill would authorize that background check to include a criminal background check, including submission of fingerprints and employment history for the 10 preceding years.

Existing law authorizes a city, county, or city and county to charge certain massage businesses or establishments a business licensing fee, provided that the fee charged is no different than what is uniformly applied to other individuals and businesses providing professional services, as specified.

The bill would require that the licensing fee charged to massage businesses or establishments be no higher than those charged to other professions. The bill would also prohibit a city, county, or city and county from requesting information from those businesses or establishments that is different from that requested of others providing professional services.

<del>(6)</del>

(9) Under existing law, the Board of Behavioral Sciences is responsible for the licensure and regulation of marriage and family therapists, licensed educational psychologists, licensed clinical social workers, and licensed professional clinical counselors.

Under existing law, a license that is not renewed within 3 years after its expiration may not be renewed. However, the former licensee is authorized to apply for and obtain a new license if certain requirements are met, including, but not limited to, passing one or more current licensing examinations, as specified and submitting certain fees.

This bill would additionally require a former licensee to comply with the fingerprint requirements established by board regulation or as directed by the board. The bill would make other technical and clarifying changes.

<del>(A)</del>

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(10) Existing law, the Marriage and Family Therapist Act, with respect to applicants for licensure or registration by reciprocity or for those applicants who obtained education or experience outside of California that apply on and after January 1, 2014, existing law provides that education is substantially equivalent if certain requirements are met, including the completion of a course in California law and professional ethics.

This bill would require that course to be 18 hours in length.

For persons who apply for licensure between January 1, 2010, and December 31, 2013, existing law authorizes the board to issue a license to a person who holds a valid license from another state if certain requirements are met, including the completion of specified coursework or training. Existing law provides that an applicant who completed a specified course in law and professional ethics is required to complete an 18-hour course in California law and professional ethics.

This bill would instead specify that an 18-hour course in California law and professional ethics is only required if the above specified course in law and professional ethics does not meet certain requirements. The bill would make other technical changes to those provisions.

The bill would rename the act as the Licensed Marriage and Family Therapist Act.

<del>(B)</del>

(11) Existing law, the Licensed Professional Clinical Counselor Act, provides for the licensure and regulation of the practice of professional clinical counseling by the Board of Behavioral Sciences.

Under existing law, to qualify for registration, an intern applicant is required to meet certain qualifications. With respect to applicants for registration who began graduate study before August 1, 2012, and complete study on or before December 31, 2018, an applicant is required to complete a minimum of 18 contact hours of instruction in California law and professional ethics prior to registration as an intern.

This bill would describe the content of that instruction for professional clinical counselors.

Existing law authorizes the board to refuse to issue any registration or license, or to suspend or revoke the registration or license of any intern or licensed professional clinical counselor, if the applicant, licensee, or registrant has been guilty of unprofessional conduct that includes, but is not limited to, the conviction of more than one misdemeanor or any felony involving the use, consumption, or

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self-administration of any of specified substances, or any combination thereof.

This bill would delete the conviction of more than one misdemeanor or any felony involving the use, consumption, or self-administration of any of specified substances, or any combination thereof, from the list of what constitutes professional conduct. The bill would make it unprofessional conduct to willfully violate specified provisions governing patient access to health care records.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 144.5 is added to the Business and 2 Professions Code to read:
- 2 Professions Code, to read:
   3 144.5. Notwithstanding any other provision of law, a board
- 4 described in Section 144 may request a local or state agency to 5 provide certified records of all arrests and convictions, certified
- 6 records regarding probation, and any and all other related
- 7 documentation needed to complete an applicant or licensee
- 8 investigation. The local or state agency shall provide those records
- 9 to the board upon receipt of such a request.
- 10 SEC. 2. Section 1902.2 is added to the Business and Professions
- 11 Code, to read: