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RULE ADOPTION
LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF MEDICAL EXAMINERS
PROFESSIONAL PRACTICE STRUCTURE

Adopted Amendment: N.J.A.C. 13:35-6.16

Proposed: August 2, 2004 at 36 N.J.R. 3499(a).

Adopted: December 8, 2004 by the State Board of Medical Examiners, Bernard Robins, M.D., President.

Filed: May 26, 2005 as R.2005 d.193, with substantive changes not requiring additional public notice and comment (see N.J.A.C. 1:30-6.3).

Authority: N.J.S.A. 45:9-2.

Effective Date: June 20, 2005.

Expiration Date: March 17, 2010.

Federal Standards Statement

A Federal standards analysis is not required because there are no Federal laws or standards applicable to the adopted amendments.

Full text of the adoption follows :

<< NJ ADC 13:35-6.16 >>

13:35-6.16 Professional practice structure

(a)-(e) (No change.)

(f) Acceptable professional practice forms are as follows:

1. (No change.)

2. Partnership, professional association or limited liability company: A practitioner may practice in a partnership, professional association, or limited liability company, but such entity shall be composed solely of health care professionals, each of whom is duly licensed or otherwise authorized to render the same or closely allied professional service within this State. A limited liability company means a limited liability company formed under the laws of this State, pursuant to the New Jersey Limited Liability Company Act, N.J.S.A. 42:2B-1 et seq., except where inconsistent with these rules. A practitioner who is a member, employee, agent, or representative of the limited liability company shall remain personally responsible for his or her own negligence, <<-omissions, malpractice,->> wrongful acts, or misconduct, and that of any person under his or her direct supervision and control while rendering professional services on behalf of the limited liability company <<+in this State to the person for whom such professional service was being rendered+>>. The professional services offered by each practitioner, whether a partner, member or shareholder, shall be the same or in a closely allied medical or professional health care field. For the purpose of this rule, closely allied fields, pursuant to the Professional Service Corporation Act, N.J.S.A. 14A:17-1 et seq., shall be deemed to include the health care professions licensed by the State Professional Boards under the Division of Consumer Affairs, for example, chiropractic, dentistry, nursing, nurse midwifery, optometry, physical therapy, podiatry, psychology, social work, etc. If the scope of practice authorized by law for each such person differs, any

document used in connection with professional practice including, but not limited to, professional stationery, business cards, advertisements or listings and bills, shall designate the field to which such person's practice is limited. Prescriptions shall list only those practitioners authorized by law to prescribe; shall designate the practice of each listed prescriber as required by N.J.A.C. 13:35-6.1; and shall comply with the data requirements of N.J.A.C. 13:35-6.6.

3.-4. (No change.)

5. A licensee may also have an equity or employment interest in a professional practice (including a professional service corporation or limited liability company) which is a limited partner to a general business corporation which, in turn, has a contractual agreement with the professional service entity, in the following circumstances only. The general business corporation may contract to provide the professional practice with services exclusively of a non-professional nature such as, but not limited to, routine office management, hiring of non-professional staff, provision of office space and/or equipment and servicing thereof, and billing services. The licensee shall nevertheless be responsible, at all times except as excused by (g) below, to assure that an appropriate licensed health care professional determines and carries out all services and medical care policies set forth in (b) and (c) above, including retention of sole discretion regarding establishment of patient fees and modification or waiver thereof in an individual case. The licensee shall assure, as a condition of such contractual arrangement, that the general business corporation makes no representations to the public of offering, under its own corporate name, health care services which require licensure.

(g)-(m) (No change.)