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RULE ADOPTIONS  
LAW AND PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS  
STATE BOARD OF CHIROPRACTIC EXAMINERS**

Adopted New Rule: N.J.A.C. 13:44E-2.15

Permissible Practice Structures

Proposed: February 5, 2007 at 39 N.J.R. 347(a).

Adopted: May 24, 2007 by the State Board of Chiropractic Examiners, Albert Stabile, Jr., D.C., President.

Filed: August 14, 2007 as R.2007 d.288, with technical changes not requiring additional public notice or comment ( N.J.A.C. 1:30-6.3).

Authority: N.J.S.A. 45:1-3.2, 45:9-14.5 and 45:9-41.23.

Effective Date: September 17, 2007.

Expiration Date: December 22, 2011.

**Summary of Agency-Initiated Changes:**

The Board has initiated a change to the definition of "closely allied licensed health care professional" found in N.J.A.C. 13:44E-2.15(a). The list of licensed professionals in the definition includes acupuncturists; however, acupuncturists are certified in New Jersey, rather than licensed. Therefore, the Board has deleted the word "licensed" in the term "closely allied health care professional" and has added "or certified" after licensed in the definition. In addition, the word "licensed" has been deleted in the definition of "professional service corporation," and in N.J.A.C. 13:44E-2.15(b)2, 3, and 4; (e); and (f).

**Federal Standards Statement**

A Federal standards analysis is not required because the new rule is subject to State statutory requirements and is not subject to any Federal requirements.

Full text of the adoption follows (additions to proposal indicated in boldface with asterisks \*thus\*; deletions from proposal indicated in brackets with asterisks \*[thus]\*):

**13:44E-2.15 Permissible practice structures**

(a) As used in this section, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise.

"Board" means the New Jersey State Board of Chiropractic Examiners.

"Chiropractic physician" means a chiropractor holding a license issued by the Board.

"Closely allied \*[licensed]\* health care professional" means an individual who provides professional services and is licensed \*or certified\* in New Jersey by a professional or occupational licensing board or other State agency, in any of the following fields: medicine or its branches; dentistry; podiatry; physical therapy; occupational therapy; nursing; acupuncture; or psychology.

"D.O." means a Doctor of Osteopathy holding an active plenary license to practice medicine and surgery issued by the New Jersey Board of Medical Examiners.

"Employee" means a chiropractic physician who is employed, for any form of remuneration, by one of the permissible practice structures under (b) below or in a general business corporation as set forth in (c) below, whether the chiropractic physician is denominated as an employee or independent contractor.

"Limited liability company" (LLC) 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.

"M.D." means a Medical Doctor holding an active plenary license to practice medicine and surgery issued by the New Jersey Board of Medical Examiners.

"Permissible business structure" means a sole proprietorship, partnership, limited liability company or a professional service corporation, all of which are subject to the limitations of (b) and (c) below.

"Professional service" means services rendered by a health care professional within the scope of their practice authorized by their State professional board.

"Professional service corporation" means a business entity established pursuant to N.J.S.A. 14A:17-1 et seq., in which all shareholders are chiropractic physicians or closely allied \*[licensed]\* health care professionals.

(b) The following are permissible business structures that may offer chiropractic professional services in the State of New Jersey:

1. A sole proprietorship consisting of one chiropractic physician or the chiropractic physician may employ or otherwise may remunerate other closely allied health care professionals, except an M.D. or D.O., to render professional services within the scope of practice of each employee's license. The chiropractic physician may employ ancillary non-licensed staff in accordance with applicable Board rules, if any, and accepted standards of practice;
2. A partnership in which all partners are chiropractic physicians or a combination of chiropractic physicians and closely allied \*[licensed]\* health care professionals; however, the partnership may not employ an M.D. or D.O., unless at least one partner is an M.D. or D.O.;
3. A corporation established consistent with the provisions of the Professional Service Corporation Act, N.J.S.A. 14A:17-1 et seq., in which all shareholders are chiropractic physicians or a combination of chiropractic physicians and closely allied \*[licensed]\* health care professionals; however, the professional service corporation may not employ an M.D. or D.O., unless at least one shareholder is an M.D. or D.O.; and
4. An LLC in which all members are chiropractic physicians or a combination of chiropractic physicians and closely allied \*[licensed]\* health care professionals; however, the LLC may not employ an M.D. or D.O., unless at least one member is an M.D. or D.O.

(c) A chiropractic physician may offer chiropractic services as an employee of a general business corporation in this State only in one or more of the settings in (c)1 through 6 below. Any such setting shall have a designated chiropractic or medical director, licensed to practice chiropractic or medicine in this State, who is regularly on the premises and who, alone or with other persons authorized by the State Department of Health and Senior Services, if applicable, is responsible for verification of licensure and credentialing of chiropractic providers and the provision of chiropractic services. The settings are as follows:

1. The corporation or other business entity is licensed by the New Jersey Department of Health and Senior Services as a health maintenance organization, hospital, long- or short-term health care facility, ambulatory care facility or other type of health care facility or health care provider such as a diagnostic imaging facility. This may include a licensed facility which is a component part of a for-profit corporation employing or otherwise remunerating licensed health care professionals;

2. The corporation or other business entity is not in the business of offering treatment services to the public, but maintains a medical or chiropractic clinic for the purposes of providing services directly to employees and/or monitoring the medical or chiropractic health of employees. The provisions of N.J.A.C. 13:44E-2.2 regarding the preparation, maintenance and release of chiropractic patient records shall apply to persons receiving care or evaluation in this setting;

3. The corporation or business entity is a non-profit corporation sponsored by a union, social or religious or fraternal-type organization providing chiropractic services to members only. The provisions of N.J.A.C. 13:44E-2.2 regarding the preparation, maintenance and release of chiropractic patient records shall apply to persons receiving care or evaluation in this setting;

4. The corporation or other business entity is an accredited educational institution that provides medical or chiropractic services to students and/or faculty. The provisions of N.J.A.C. 13:44E-2.2 regarding the preparation, maintenance and release of chiropractic patient monitoring records shall apply to persons receiving care or evaluation in this setting;

5. The corporation or other business entity is licensed by the New Jersey State Department of Banking and Insurance as an insurance carrier offering coverage for chiropractic services and the licensee is employed to perform quality assurance or utilization review services for the insurance carrier; or

6. The corporation or other business entity is employed by, or under contract to, an insurance carrier or managed care plan offering coverage for chiropractic services to provide quality assurance or utilization review services.

(d) Chiropractic physicians shall only be employed in a permissible practice structure as set forth in (b)1 through 4 above or under the exceptions set forth in (c)1 through 6 above.

(e) Chiropractic physicians may be employed by a permissible business structure, which includes one or more closely allied \*[licensed]\* health care professionals, including at least one chiropractic physician, M.D. or D.O., provided that the professional practice is supervised by at least one chiropractic physician, M.D. or D.O.

(f) If the scope of practice authorized by law for each closely allied \*[licensed]\* health care professional differs, any document used in connection with the professional practice including, but not limited to, professional stationery, business cards, advertisements or listings and bills shall designate the field to which each closely allied \*[licensed]\* health care professional's practice is limited.

(g) Notwithstanding (a) through (d) above, chiropractic physicians shall not engage in the practice of chiropractic, as a sole proprietor, partner, shareholder, member, or employee in any permissible business structure in which they are shielded from liability for their own breaches of professional duties, fail to retain responsibility for the quality of care and appropriateness of professional judgments, or are not assured access to information and involvement in issues pertaining to quality of care, professional judgment, recordkeeping, advertising practices, billing for services rendered and, except for employees, the finances of the permissible business structure.

(h) Notwithstanding (a) through (d) above, a chiropractic physician who is a member, employee, agent or representative of an LLC shall remain personally responsible for his or her own negligence, wrongful acts or misconduct and that of any person under his or her direct supervision and control while rendering professional services on behalf of an LLC in this State to the person for whom such professional service was being rendered.

(i) Any violation of (b) through (h) above shall be deemed professional misconduct pursuant to N.J.S.A. 45:1-21(e).