



## Physical Therapy Board of California

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### Agenda Item #11

## MEMORANDUM

**Date:** July 21, 2011

**To:** Physical Therapy Board of California

**From:** Becky Marco, Interim Executive Officer

**Subject:** Update on Practice of Physical Therapy in Corporate Settings

On July 22, 2011 an email was sent advising Board members that Board staff mailed 155 letters to subjects of complaints filed with the Board alleging a violation of the Moscone-Knox Professional Corporations Act. A spread sheet of the complaints and the source are attached. This was in response to the direction by the Board that staff begin an investigation of the alleged violations.

The mailing included the attached cover letter, the Summary of Facts Related to the Practice of Physical Therapy by Corporations (Summary) and opinions by Legislative Counsel and DCA Legal Counsel (not attached).

Prior to mailing the letter, the (Interim) Executive Officer of the Board received correspondence from Senators Price and Emmerson of Senate Committee on Business, Professions & Economic Development (attached). The letter dated July 12, 2011 requested the Physical Therapy Board of California (Board) delay taking any action against a physical therapist for a potential violation of the Moscone-Knox Professional Corporation Act (California Corporations Code section 13400 et seq.). The letter also advises there is no case law or other legal requirements that would require the Board to take action against those individuals found to be in violation of the employment restrictions contained in the provisions of Moscone-Knox and proposes that further "clarification" of the law is necessary. Board staff and legal counsel are in the process of preparing a response which will be provided to the Board once completed.

It is too soon to know the reaction of the recipients of the letters; however, it is safe to assume there will be something to report regarding this issue at the upcoming meeting.