



# NCBPTE Updates

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THE NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS

PTBoard@NCPTBoard.org



## Regulatory Spotlight

**What do I need to know if I want to start a physical therapy business in North Carolina?**

The Board frequently responds to questions from licensees and other public members pertaining to business/organizational structures and associated legal requirements. While the Board was statutorily created by the NC General Assembly to regulate the practice of physical therapy in NC, the Board has no authority to determine what business structure is appropriate for a physical therapist who wishes to open a practice or consider ownership of a practice.

Based on past questions and responses, the following information may be helpful when considering the business practice of physical therapy.

- All business registration, including registration of physical therapy practices, is done through the NC Secretary of State. Additionally, there is extensive information about launching a NC business available on the NC Secretary of State website <https://www.sosnc.gov/>.
- The [Professional Corporation Act](#) in Chapter 55B of the NC General Statutes requires that certain professional services obtain a certificate of registration from a licensing board before opening and operating a business. Physical therapy is NOT included in the professional services listed in NC GS 55B-2(6). As a result, businesses which offer physical therapy services do not need a certificate of registration or any other approval from the licensing board before the business may be organized and registered with the NC Secretary of State.
- Since physical therapy is not defined as a professional service in the Professional Corporation Act, physical therapy businesses are not eligible to use in their names "Professional Association," "P.A.," "Professional Corporation," "P.C.," "Professional Limited Liability Company," or "PLLC." Should you need additional information about this topic, you may send an email inquiry to [corpinfo@sosnc.com](mailto:corpinfo@sosnc.com). The Board does not issue "certificates" or "approval letters" for physical therapy practices. Only those professions listed in the Professional Corporation Act are required to obtain certificates from licensing boards.
- The Board does not provide business or tax-related legal advice. Consider consulting an attorney and/or accountant with expertise in establishing a business in NC.
- The NC Physical Therapy Practice Act and Board Rules do not prohibit physical therapists from establishing businesses with other professionals. However, there are healthcare professionals in NC who are prohibited from engaging in businesses which include professionals from other disciplines, including physical therapy.
- Business regulations differ from state to state and from profession to profession. Avoid seeking advice from online sources that are unfamiliar with NC laws and regulations. Misinformation can lead to frustration and loss of resources.

**Additional Resources if interested in establishing a North Carolina physical therapy practice:**

- [APTA Private Practice Section](#)
- [US Small Business Administration; specifically about business structure](#)
- [IRS website - specifically about business structure](#)

## Issues concerning billing and reimbursement of physical therapy services

The Board receives many questions and complaints from licensees and the public related to billing and reimbursement of physical therapy services. NC physical therapy licensees are responsible for abiding by the NC Physical Therapy Practice Act and Board Rules, of which portions relate to billing and reimbursement.

Additionally, all PTs and PTAs must comply with payer policies and other applicable local, state, and federal laws and regulations. [APTA Code of Ethics for the Physical Therapist](#) and [Standards of Ethical Conduct for the Physical Therapist Assistant](#) both detail this professional standard.

Given the importance of the topic of billing and reimbursement, relevant section(s) of the NC Physical Therapy Practice Act and/or Board Rules will be highlighted in this and future newsletters. Here is a direct link to access the most updated [NC Physical Therapy Practice Act G.S.90-270.90 -90-270.106](#) and [Board Rules 21 NCAC 48A.0101 – 48H.0704](#).

As always, you can reach out to the Board ([PTBoard@ncptboard.org](mailto:PTBoard@ncptboard.org)) with any questions or further clarification.

This month's highlight is:

### **21 NCAC 48G .0601 PROHIBITED ACTIONS**

*(a) Behaviors and activities that may result in disciplinary action by the Board pursuant to G.S. 90-270.103(1), (6), (7), (8), and (9) and G.S. 90-270.102(4) include the following:*

- *(19) billing or charging for services or treatment not performed;*
- *(27) charging fees not supported by documentation in the patient record;*

These 2 rules are highlighted together because, when violations occur, both rules are often applicable. The following are practical applications/considerations concerning these Board Rules.

**\*\*Keep in mind these examples are not exhaustive but used to assist licensees in better understanding scenarios where this Board Rule may apply. \*\***

- Billing the patient or 3rd party payer for a physical therapy service that was never performed. Documenting and then subsequently billing for a service that was never performed or is different than the service performed.

Examples: This could occur when a licensee never provides a service (i.e. a home health visit was attempted but the licensee arrives and the patient is not at home to receive the service). This could occur when a licensee performs one service but bills for a different service (i.e. outpatient setting when a licensee performs iontophoresis but bills electrical stimulation because a payer policy defines iontophoresis as a non-covered service; same scenario when dry needling performed but billed as manual therapy).

- Pre-purchasing physical therapy services or offering discounts for physical therapy services when bundled in packages that are paid for by the patient or responsible party in advance.

Examples: This could occur in settings where “self-pay” physical therapy services are provided (i.e. cash-based settings where patients purchase a pre-determined number of treatments/visits prior to the physical therapy service being delivered). Clear, written financial policies (which address refunds) that are communicated with the patient and result in informed consent are critical in the case of these examples.

How might violation of these rules cause harm?

Resulting harms may include financial hardship to the patient, fraudulent billing to the payer, and damaged professional reputation of the licensee, the clinic, and the physical therapy profession.

## Did you know?

The Board will send audit notices to licensees randomly selected later this month. What do you need to do if you receive one?

Below is a short video with the step-by-step procedure for responding to a continuing competence audit notice.

