

# THE HEALTHCARE PROFESSIONALS LEGAL CHECK-UP

702.385.2500  
HUTCHLEGAL.COM  
©2017 HUTCHISON & STEFFEN

Issue No. 6

## PROVIDING HEALTHCARE IN NEVADA

The allowable methods by which healthcare providers practice their "learned" profession in Nevada is regulated and governed by the statutes and laws of the State of Nevada. Healthcare providers may practice their profession as a sole practitioner, as a partner in a partnership, or through a professional entity pursuant to the Nevada Revised Statutes. Each of these methods has its advantages and disadvantages. It is recommend that professionals consult with an attorney who emphasizes the organization of professional practices in order to ensure that he or she is in compliance with Nevada law and practices in the form best suited for him or her.

Professional Corporations and Professional Limited Liability Companies are a common method of practicing medicine and dentistry in the State. However, these entities cannot be corporations or companies created as a general corporation pursuant to Chapter 78 nor a general limited liability company created pursuant to Chapter 86 of the Nevada Revised Statutes. Prior to the enactment of the Professional Corporation and Associations Act, now referred to as the Professional Entities and Associations Act ("Act"), healthcare providers could not practice medicine or dentistry through corporations. The corporations did not have legal capacity to practice these learned professions (hereinafter only

HUTCHISON & STEFFEN  
ATTORNEYS

*\*Previous issues available online at [hutchlegal.com](http://hutchlegal.com) under the client resources tab.*

over →

### THOMAS L. ROBERTS / PARTNER

The law firm of Hutchison & Steffen, PLLC is a diverse group of attorneys practicing in a wide range of legal areas. Thomas L. Roberts is a partner in the firm whose practice encompasses corporate and business law, including the formation of professional entities and groups. His practice also includes real property, contracts, mergers, and acquisitions of businesses to include the sale and purchase of professional practices.

This newsletter provides highlights on topics of interest for healthcare professionals. We invite you to contact the Firm to learn more.



*...continued.*

the term “medicine” will be used). The Nevada Attorney General’s Office has by opinion (AGO) opined that the corporate practice of medicine is legal only if the corporation has been incorporated under Chapter 89 of the Nevada Revised Statutes. More recently, the Act provides for the organization of professional limited liability companies.

A more recent AGO offered the following rationale for the doctrine stated above: “The rationale of the doctrine concludes that the employment of physicians by corporations is illegal because the acts of the physicians are attributable to the corporate employers which cannot obtain a medical license.” However, the Act creates exceptions to this rationale by allowing professionals to incorporate a professional corporation or organize a professional limited liability company under the Act subject to the requirements and restrictions set forth therein. For example, the Act restricts those who may organize a professional entity and it further restricts those who may own a professional corporation or company. Professionals licensed in the State of Nevada to provide the services to be provided by the professional entities must own

these corporations and companies. The name of the company is required to contain certain words and must include one of the various allowable terms to designate that it is a professional entity. There are additional restrictions regarding the operation of the entity, such as who may provide services through the professional entity.



For those who practice medicine, it is important to note that one of the two AGO’s addressing this subject stated: “The practice of medicine by a general corporation organized under Chapter 78 of Nevada Revised Statutes is illegal. Nevada licensed physicians who aid or abet a corporation to illegally practice medicine may be charged with unprofessional conduct and have their licenses suspended or revoked.”

Should you as a professional have questions, contact your attorney for a review of the method of practice and answers to any questions you may have. (For references, see NRS 89; AGO 219-1977 and AGO 2002-10). ■

## AREAS OF PRACTICE

**Hutchison & Steffen is an AV-Rated, full-service law firm practicing in the following areas:**

ADMINISTRATIVE LAW  
ALTERNATIVE DISPUTE RESOLUTION  
APPELLATE LITIGATION  
ASSET PROTECTION & BUSINESS PLANNING  
BANKING  
BUSINESS LAW & COMMERCIAL LITIGATION  
CONDEMNATION LAW

CONSTITUTIONAL LAW  
CONSTRUCTION LAW  
CORPORATE & COMMERCIAL LAW  
ELECTION, CAMPAIGN, & POLITICAL LAW  
EMPLOYMENT LAW  
FAMILY LAW  
HEALTHCARE PROFESSIONALS ADVOCACY

INSURANCE LITIGATION  
LANDLORD/TENANT  
PERSONAL INJURY  
PROFESSIONAL LIABILITY DEFENSE  
REAL ESTATE LAW  
TAX AUDITS & LITIGATION  
TRUST & PROBATE LITIGATION

NOTICE: THIS IS AN ADVERTISEMENT!