

**WEST VIRGINIA**  
**SECRETARY OF STATE**  
**KEN HECHLER**  
**ADMINISTRATIVE LAW DIVISION**

Form #6

Do Not Mark in this Box

**FILED**

MAY 5 11 09 AM '97

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED  
BY THE WEST VIRGINIA LEGISLATURE.**

AGENCY: West Virginia Board of Medicine TITLE NUMBER: 11

AMENDMENT TO AN EXISTING RULE: YES\_\_\_\_, NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: Series 7

TITLE OF RULE BEING PROPOSED: Formation and Approval of Professional  
Limited Liability Companies

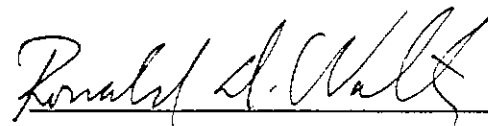
THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) SB 209

SECTION 64-9-9, PASSED ON April 12, 1997

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON

THE FOLLOWING DATE: June 1, 1997

  
\_\_\_\_\_  
2

TITLE II  
LEGISLATIVE RULE  
WEST VIRGINIA BOARD OF MEDICINE

FILED

MAY 5 11 09 AM '97

SERIES 7  
FORMATION AND APPROVAL OF PROFESSIONAL  
LIMITED LIABILITY COMPANIES

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

§11-7-1. General.

1.1. Scope. - This legislative rule addresses procedures for the formation and approval of professional limited liability companies for physicians and podiatrists.

1.2. Authority. - W. Va. Code §31B-13-1304.

1.3. Filing Date. -

1.4. Effective Date. - June 1, 1997

§11-7-2. Definition.

2.1. Board. - The West Virginia Board of Medicine, established in W. Va. Code §30-3-5.

§11-7-3. Procedures for Formation and Approval of Professional Limited Liability Companies for Physicians and Podiatrists; Fees.

3.1. Physicians licensed to practice medicine and surgery in an active status in this State who desire to render medical professional services as a limited liability company shall comply with the provisions of West Virginia Code §31B-13-1 et seq. No professional limited liability company shall have as a member anyone other than a person who is duly licensed or otherwise legally authorized to render the professional services for which the professional limited liability company was organized.

3.2. Podiatrists licensed to practice podiatry in an active status in this State who desire to render podiatric professional services as a limited liability company shall comply with the provisions of West Virginia Code §31B-13-1 et seq. No professional limited liability company shall have as a member anyone other than a person who is duly licensed or otherwise legally authorized to render the professional services for which the professional limited liability company was organized.

3.3. The name of a professional limited liability company shall contain the words "professional limited liability company" or the abbreviation "P.L.L.C." or "Professional L.L.C."

3.4. Every professional limited liability company shall file with the Board at the time of formation, the names of its two or more members, and written documentation that the professional limited liability company carries at least one million dollars of

professional liability insurance, together with an initial filing fee of \$100. Thereafter, every professional limited liability company on an annual basis on or before the first day of July, shall file with the Board the names of its two or more members, and written documentation that the professional limited liability company carries at least one million dollars of professional limited liability insurance, together with an annual renewal fee of \$100.

3.4.a. The requirement under West Virginia Code §31B-13-1305 that a professional limited liability company carry one million dollars of professional liability insurance is satisfied if the professional limited liability company provides one million dollars of funds specifically designated and segregated for the satisfaction of judgements against the company members or any of its professional or nonprofessional managers or employees arising out of the performance of professional services to patients or clients of the company, by:

(1) Deposit in trust or in bank escrow of cash, bank certificates of deposit or United States treasury obligation; or

(2) A bank letter of credit or insurance company bond.

3.5. Every limited liability company formed prior to the effective date of this rule whose members are physicians or podiatrists licensed under the provisions of West Virginia Code §30-3-1 et seq. shall re-form the company and re-file articles of organization pursuant to the provisions of West Virginia Code §31B-13-1 et seq. and provisions of this rule.

3.6. Every professional limited liability company shall file with the Board a copy of the annual report required to be filed with the secretary of state under West Virginia Code §31B-2-211. The copy of the annual report, and a copy of any corrected annual report filed with the secretary of state, shall be filed with the Board on or before the first day of July on an annual basis.

3.7. The Board shall approve every professional limited liability company in compliance with all the provisions of this rule, and every professional limited liability company remaining in compliance with this rule shall remain approved by the Board.

3.8. If any person ceases to be a member of any professional limited liability company, that person shall so notify the Board in writing within twenty days from the day that the person ceases to be a member of the professional limited liability company. The fact that a person ceases to be a member of a professional limited liability company shall not affect the approval of the professional limited liability company by the Board, provided that the Board determines that the professional limited liability company remains in compliance with all the provisions of this rule.

**§11-7-4. Notification of Non-compliance, Cessation of Rendering Professional Services.**

3.9. If the Board determines that a professional limited liability company is not in compliance with all the provisions of this rule and should cease rendering professional services in the State, the Board shall notify the professional limited liability company in writing of its noncompliance and shall order the professional limited liability company to stop rendering professional services. Upon receipt of the written notice, the professional limited liability company shall cease rendering professional services in this State.

**§11-7-5. Physician-Patient and Podiatrist-Patient Relationship.**

3.10. The provisions of this rule shall not be construed to alter or affect the physician-patient or podiatrist-patient relationship.



**R. Curtis Arnold, D.P.M.**  
South Charleston

**Bruce L. Berry, M.D.**  
Charleston

**Ahmed D. Faheem, M.D.**  
Beckley

**Mr. Stephen P. Goodwin**  
Charleston

**Michael Grome, P.A.-C.**  
Hamlin

**Mr. George G. Guthrie**  
Charleston

**Mrs. Mary Boyd Kearse**  
Martinsburg

**Phillip B. Mathias, M.D.**  
Glen Dale

**Stephen Perkins, M.D.**  
Charleston

**Carmen R. Rexrode, M.D.**  
Moorefield

**Leonard Simmons, D.P.M.**  
Fairmont

**Lee Elliott Smith, M.D.**  
Princeton

# State of West Virginia

WEST VIRGINIA BOARD OF MEDICINE

101 Dee Drive

Charleston, West Virginia 25311

Telephone (304) 558-2921

Fax (304) 558-2084

## Promulgation History Legislative Rule Series 7

### Formation and Approval of Professional Limited Liability Companies

- |    |  |         |
|----|--|---------|
| 1. | Notice of Emergency Rule                     | 7/19/96 |
| 2. | Notice of Comment Period                     | 7/19/96 |
| 3. | Emergency Rule Approved                      | 8/29/96 |
| 4. | Notice of Rule Modification of Proposed Rule | 2/13/97 |
| 5. | Authorization of Rule in S.B. 209            | 4/12/97 |
| 6. | Governor signed S.B. 209                     | 5/2/97  |

#### PRESIDENT

**A. Paul Brooks, Jr., M.D.**  
Parkersburg

#### VICE PRESIDENT

**Sarjit Singh, M.D.**  
Weirton

#### SECRETARY

**Henry G. Taylor, M.D., M.P.H.**  
Charleston

#### COUNSEL

**Deborah Lewis Rodecker**  
Charleston

#### EXECUTIVE DIRECTOR

**Ronald D. Walton**  
Charleston

KEN HECHLER  
Secretary of State

MARY P. RATLIFF  
Deputy Secretary of State

JAN CASTO  
Deputy Secretary of State

CATHERINE FREROTTE  
Executive Assistant

Telephone: (304) 558-6000  
Corporations: (304) 558-8000  
FAX: (304) 558-0900



STATE OF WEST VIRGINIA

SECRETARY OF STATE

Building 1, Suite 157-K  
1900 Kanawha Blvd., East  
Charleston, WV 25305-0770

WILLIAM H. HARRINGTON  
Chief of Staff

JUDY COOPER  
Director, Administrative Law

PENNEY BARKER  
Supervisor, Corporations

(Plus all the volunteer  
help we can get)

TO: RONALD D WALTON

AGENCY: WV BD OF MEDICINE

FROM: JUDY COOPER, DIRECTOR, ADMINISTRATIVE LAW DIVISION

DATE: June 12, 1997

THE ATTACHED RULE FILED BY YOUR AGENCY HAS BEEN ENTERED INTO OUR COMPUTER SYSTEM. PLEASE REVIEW, PROOF AND RETURN IT WITH ANY CORRECTIONS. IF THERE ARE NO CORRECTIONS, PLEASE SIGN THIS MEMO AND RETURN IT TO THIS OFFICE. YOU WILL BE SENT A FINAL VERSION OF THE RULE FOR YOUR RECORDS.

PLEASE RETURN EITHER THE CORRECTED RULE OR THIS FORM WITHIN TEN (10) WORKING DAYS OF THE DATE YOU RECEIVED THIS REQUEST. CALL IF YOU HAVE ANY QUESTIONS.

SERIES: 7 TITLE: 11 WV BD OF MEDICINE

\* THE ATTACHED RULE HAS BEEN REVIEWED AND IS CORRECT.

SIGNED: Dorothy Lewis Rodecker

TITLE OF PERSON SIGNING: Counsel

DATE: 6-19-97

\*\*\*\*\*

\* THE ATTACHED RULE HAS BEEN REVIEWED AND NEEDS CORRECTING. THE CORRECTIONS HAVE BEEN MARKED.

SIGNED: \_\_\_\_\_

TITLE OF PERSON SIGNING: \_\_\_\_\_

DATE: \_\_\_\_\_

NOTE: IF YOU ARE NOT THE PERSON WHO HANDLES THIS RULE, PLEASE FORWARD TO THE CORRECT PERSON.

FILED  
JUN 23 1 23 PM '97  
OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE