

HOUSE BILL 683

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By: **Delegates Reznik, Barron, Cullison, Hayes, Hill, Kelly, Kipke, Krebs, McDonough, McMillan, Miele, Morgan, Morhaim, Oaks, Pena–Melnyk, Saab, Sample–Hughes, West, and K. Young**

Introduced and read first time: February 12, 2015

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Occupations – Magnetic Resonance Imaging Services and Computed**
3 **Tomography Scan Services – Patient Referrals**

4 FOR the purpose of authorizing, under certain circumstances, a health care practitioner to
5 refer or direct certain other persons to refer a patient for magnetic resonance
6 imaging services or computed tomography scan services to a health care entity to
7 which the patient otherwise could not be referred under a certain provision of law;
8 requiring a health care practitioner, under certain circumstances, to include certain
9 information in a written statement required under a certain provision of law;
10 requiring a health care entity, under certain circumstances, to maintain a certain
11 accreditation, conform the manner in which the health care entity provides certain
12 services to certain standards, maintain evidence of a certain accreditation at certain
13 locations, make certain evidence available for inspection on request of the
14 Department of Health and Mental Hygiene, and notify the Maryland Health Care
15 Commission within a certain time period that the entity is being referred patients
16 under a certain provision of this Act; making conforming changes; requiring the
17 Commission to conduct a certain study of the provision of magnetic resonance
18 imaging services and computed tomography scan services by certain health care
19 entities; requiring the Commission to submit the results of the study to the General
20 Assembly on or before a certain date; and generally relating to the referral of patients
21 for magnetic resonance imaging services and computed tomography scan services.

22 BY repealing and reenacting, with amendments,
23 Article – Health Occupations
24 Section 1–302
25 Annotated Code of Maryland
26 (2014 Replacement Volume)

27 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Health Occupations
2 Section 1–302.1
3 Annotated Code of Maryland
4 (2014 Replacement Volume)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
6 That the Laws of Maryland read as follows:

7 **Article – Health Occupations**

8 1–302.

9 (a) Except as provided in subsection (d) of this section **OR § 1–302.1 OF THIS**
10 **SUBTITLE**, a health care practitioner may not refer a patient, or direct an employee of or
11 person under contract with the health care practitioner to refer a patient to a health care
12 entity:

13 (1) In which the health care practitioner or the practitioner in combination
14 with the practitioner’s immediate family owns a beneficial interest;

15 (2) In which the practitioner’s immediate family owns a beneficial interest
16 of 3 percent or greater; or

17 (3) With which the health care practitioner, the practitioner’s immediate
18 family, or the practitioner in combination with the practitioner’s immediate family has a
19 compensation arrangement.

20 (b) A health care entity or a referring health care practitioner may not present or
21 cause to be presented to any individual, third party payor, or other person a claim, bill, or
22 other demand for payment for health care services provided as a result of a referral
23 prohibited by this subtitle.

24 (c) Subsection (a) of this section applies to any arrangement or scheme, including
25 a cross-referral arrangement, which the health care practitioner knows or should know has
26 a principal purpose of assuring indirect referrals that would be in violation of subsection
27 (a) of this section if made directly.

28 (d) The provisions of this section do not apply to:

29 (1) A health care practitioner when treating a member of a health
30 maintenance organization as defined in § 19–701 of the Health – General Article if the
31 health care practitioner does not have a beneficial interest in the health care entity;

32 (2) A health care practitioner who refers a patient to another health care
33 practitioner in the same group practice as the referring health care practitioner;

1 (3) A health care practitioner with a beneficial interest in a health care
2 entity who refers a patient to that health care entity for health care services or tests, if the
3 services or tests are personally performed by or under the direct supervision of the referring
4 health care practitioner;

5 (4) A health care practitioner who refers in-office ancillary services or tests
6 that are:

7 (i) Personally furnished by:

8 1. The referring health care practitioner;

9 2. A health care practitioner in the same group practice as
10 the referring health care practitioner; or

11 3. An individual who is employed and personally supervised
12 by the qualified referring health care practitioner or a health care practitioner in the same
13 group practice as the referring health care practitioner;

14 (ii) Provided in the same building where the referring health care
15 practitioner or a health care practitioner in the same group practice as the referring health
16 care practitioner furnishes services; and

17 (iii) Billed by:

18 1. The health care practitioner performing or supervising the
19 services; or

20 2. A group practice of which the health care practitioner
21 performing or supervising the services is a member;

22 (5) A health care practitioner who has a beneficial interest in a health care
23 entity if, in accordance with regulations adopted by the Secretary:

24 (i) The Secretary determines that the health care practitioner's
25 beneficial interest is essential to finance and to provide the health care entity; and

26 (ii) The Secretary, in conjunction with the Maryland Health Care
27 Commission, determines that the health care entity is needed to ensure appropriate access
28 for the community to the services provided at the health care entity;

29 (6) A health care practitioner employed or affiliated with a hospital, who
30 refers a patient to a health care entity that is owned or controlled by a hospital or under
31 common ownership or control with a hospital if the health care practitioner does not have
32 a direct beneficial interest in the health care entity;

1 (7) A health care practitioner or member of a single specialty group
2 practice, including any person employed or affiliated with a hospital, who has a beneficial
3 interest in a health care entity that is owned or controlled by a hospital or under common
4 ownership or control with a hospital if:

5 (i) The health care practitioner or other member of that single
6 specialty group practice provides the health care services to a patient pursuant to a referral
7 or in accordance with a consultation requested by another health care practitioner who does
8 not have a beneficial interest in the health care entity; or

9 (ii) The health care practitioner or other member of that single
10 specialty group practice referring a patient to the facility, service, or entity personally
11 performs or supervises the health care service or procedure;

12 (8) A health care practitioner with a beneficial interest in, or compensation
13 arrangement with, a hospital or related institution as defined in § 19–301 of the Health –
14 General Article or a facility, service, or other entity that is owned or controlled by a hospital
15 or related institution or under common ownership or control with a hospital or related
16 institution if:

17 (i) The beneficial interest was held or the compensation
18 arrangement was in existence on January 1, 1993; and

19 (ii) Thereafter the beneficial interest or compensation arrangement
20 of the health care practitioner does not increase;

21 (9) A health care practitioner when treating an enrollee of a
22 provider–sponsored organization as defined in § 19–7A–01 of the Health – General Article
23 if the health care practitioner is referring enrollees to an affiliated health care provider of
24 the provider–sponsored organization;

25 (10) A health care practitioner who refers a patient to a dialysis facility, if
26 the patient has been diagnosed with end stage renal disease as defined in the Medicare
27 regulations pursuant to the Social Security Act; or

28 (11) A health care practitioner who refers a patient to a hospital in which
29 the health care practitioner has a beneficial interest if:

30 (i) The health care practitioner is authorized to perform services at
31 the hospital; and

32 (ii) The ownership or investment interest is in the hospital itself and
33 not solely in a subdivision of the hospital.

34 (e) A health care practitioner exempted from the provisions of this section in
35 accordance with subsection (d) **OF THIS SECTION OR § 1–302.1 OF THIS SUBTITLE** shall
36 be subject to the disclosure provisions of § 1–303 of this subtitle.

1 1-302.1.

2 (A) A HEALTH CARE PRACTITIONER MAY REFER, OR DIRECT AN EMPLOYEE
3 OF OR PERSON UNDER CONTRACT WITH THE HEALTH CARE PRACTITIONER TO
4 REFER, A PATIENT TO A HEALTH CARE ENTITY TO WHICH THE PATIENT OTHERWISE
5 COULD NOT BE REFERRED UNDER § 1-302 OF THIS SUBTITLE FOR A MAGNETIC
6 RESONANCE IMAGING SERVICE OR COMPUTED TOMOGRAPHY SCAN SERVICE IF:

7 (1) THE SERVICE IS:

8 (i) PERSONALLY FURNISHED BY AN INDIVIDUAL WHO IS
9 EMPLOYED AND DIRECTLY SUPERVISED BY THE REFERRING HEALTH CARE
10 PRACTITIONER OR A HEALTH CARE PRACTITIONER IN THE SAME GROUP PRACTICE
11 AS THE REFERRING HEALTH CARE PRACTITIONER;

12 (ii) PROVIDED IN THE SAME BUILDING WHERE THE REFERRING
13 HEALTH CARE PRACTITIONER OR A HEALTH CARE PRACTITIONER IN THE SAME
14 GROUP PRACTICE AS THE REFERRING HEALTH CARE PRACTITIONER FURNISHES
15 SERVICES DURING THE REGULAR OFFICE HOURS MAINTAINED BY THE REFERRING
16 HEALTH CARE PRACTITIONER OR A HEALTH CARE PRACTITIONER IN THE SAME
17 GROUP PRACTICE AS THE REFERRING HEALTH CARE PRACTITIONER; AND

18 (iii) BILLED BY THE GROUP PRACTICE OF WHICH THE HEALTH
19 CARE PRACTITIONER PERFORMING OR SUPERVISING THE SERVICE IS A MEMBER;
20 AND

21 (2) BEGINNING JANUARY 1, 2016, THE HEALTH CARE ENTITY IS
22 ACCREDITED TO PROVIDE MAGNETIC RESONANCE IMAGING SERVICES OR
23 COMPUTED TOMOGRAPHY SCAN SERVICES BY THE AMERICAN COLLEGE OF
24 RADIOLOGY, THE INTERSOCIETAL ACCREDITATION COMMISSION, OR THE JOINT
25 COMMISSION'S AMBULATORY CARE ACCREDITATION PROGRAM.

26 (B) IF A PATIENT IS REFERRED FOR A MAGNETIC RESONANCE IMAGING
27 SERVICE OR COMPUTED TOMOGRAPHY SCAN SERVICE UNDER SUBSECTION (A) OF
28 THIS SECTION, A HEALTH CARE PRACTITIONER SHALL INCLUDE IN THE WRITTEN
29 STATEMENT REQUIRED BY § 1-303(B) OF THIS SUBTITLE:

30 (1) THE NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF AT
31 LEAST FIVE OTHER HEALTH CARE ENTITIES LOCATED WITHIN 25 MILES OF THE
32 PRACTITIONER'S OFFICE LOCATION WHERE THE REFERRAL IS MADE THAT ARE
33 CAPABLE OF PROVIDING THE SERVICE FOR WHICH THE PATIENT IS BEING
34 REFERRED; OR

1 **(2) IF THERE ARE FEWER THAN FIVE OTHER HEALTH CARE ENTITIES**
2 **THAT CAN BE LISTED IN ACCORDANCE WITH ITEM (1) OF THIS SUBSECTION, THE**
3 **NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF ALL OTHER HEALTH CARE**
4 **ENTITIES LOCATED WITHIN 25 MILES OF THE PRACTITIONER'S OFFICE LOCATION**
5 **WHERE THE REFERRAL IS MADE THAT ARE CAPABLE OF PROVIDING THE SERVICE**
6 **FOR WHICH THE PATIENT IS BEING REFERRED.**

7 **(C) IF A HEALTH CARE ENTITY IS REFERRED A PATIENT UNDER SUBSECTION**
8 **(A) OF THIS SECTION, THE HEALTH CARE ENTITY SHALL:**

9 **(1) MAINTAIN THE REQUIRED ACCREDITATION AT ALL TIMES;**

10 **(2) CONFORM THE MANNER IN WHICH THE HEALTH CARE ENTITY**
11 **PROVIDES MAGNETIC RESONANCE IMAGING SERVICES OR COMPUTED TOMOGRAPHY**
12 **SCAN SERVICES TO THE STANDARDS SET BY THE APPROPRIATE ACCREDITING BODY;**

13 **(3) MAINTAIN EVIDENCE OF THE ACCREDITATION AT EACH**
14 **LOCATION AT WHICH ANY MAGNETIC RESONANCE IMAGING SERVICES OR**
15 **COMPUTED TOMOGRAPHY SCAN SERVICES ARE PROVIDED;**

16 **(4) MAKE EVIDENCE OF THE ACCREDITATION AVAILABLE FOR**
17 **INSPECTION ON REQUEST OF THE DEPARTMENT; AND**

18 **(5) NOTIFY THE MARYLAND HEALTH CARE COMMISSION THAT THE**
19 **HEALTH CARE ENTITY IS BEING REFERRED PATIENTS UNDER SUBSECTION (A) OF**
20 **THIS SECTION WITHIN 30 DAYS AFTER THE FIRST REFERRAL.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That:

22 (a) The Maryland Health Care Commission shall conduct a study of the provision
23 of magnetic resonance imaging services and computed tomography scan services by health
24 care entities that provide the notice required under § 1-302.1(c)(5) of the Health
25 Occupations Article, as enacted by Section 1 of this Act.

26 (b) When conducting the study required under subsection (a) of this section, the
27 Commission shall compare the use rate of magnetic resonance imaging services and
28 computed tomography scan services provided by the health care entities during calendar
29 year 2014 and during the portions of calendar years 2016 and 2017 that the health care
30 entities were referred patients under § 1-302.1(a) of the Health Occupations Article, as
31 enacted by Section 1 of this Act.

32 (c) On or before October 1, 2018, the Commission shall report to the General
33 Assembly, in accordance with § 2-1246 of the State Government Article, on the results of
34 the study conducted under this section.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2015.