

**SENATE BILL REPORT**

**SB 6049**

**AS OF JANUARY 16, 1992**

**Brief Description:** Prohibiting physicians from referring patients to laboratories in which the physician has a financial interest.

**SPONSORS:** Senator L. Smith

**SENATE COMMITTEE ON HEALTH & LONG-TERM CARE**

**Staff:** Sarena Seifer (786-7417)

**Hearing Dates:** January 22, 1992

**BACKGROUND:**

Under current state law, licensed health care professionals are prohibited from requesting or receiving a rebate, refund, commission, unearned discount or profit in connection with the referral of patients for goods, services or supplies prescribed for medical diagnosis, care or treatment. A licensed health care professional, including a physician is permitted to have a financial interest in any firm, corporation or association which furnishes services for medical, surgical or dental diagnosis if it is disclosed to the patient in writing. Any violation of this law is considered a misdemeanor.

**SUMMARY:**

Health care laboratory services include, but are not limited to, bioanalytical, laboratory, radiological, and diagnostic imagery services.

Licensed physicians are prohibited from referring patients to health care laboratory services in which they have any financial interest. Such referrals are permitted if the Department of Health determines by rule that the service is located in a rural area and provides laboratory services primarily to patients living in the rural area, that alternative services are not available in the rural area, and that prohibiting the referral will jeopardize patient care because of delays in treatment.

A violation of this law is a gross misdemeanor and is unprofessional conduct subject to provisions of the state's Uniform Disciplinary Act.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested January 16, 1992