
SENATE BILL 6038

State of Washington

52nd Legislature

1992 Regular Session

By Senators West, Johnson and L. Smith

Read first time 01/13/92. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to rebating by practitioners of healing
2 professions; amending RCW 19.68.010; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that there is a
5 growing practice of health care professionals referring patients to
6 laboratory and other services in which the professional has a financial
7 interest. The legislature further finds that such practices may result
8 in overutilization of health care services and excessive costs to
9 individuals, third-party payers, and the health care system.

10 The legislature declares that the notification of patients and
11 third-party payers about these referral practices can make them more
12 aware of such practices and allow payers to track providers who through
13 referrals overutilize services for financial reasons.

1 **Sec. 2.** RCW 19.68.010 and 1973 1st ex.s. c 26 s 1 are each amended
2 to read as follows:

3 It shall be unlawful for any person, firm, corporation or
4 association, whether organized as a cooperative, or for profit or
5 nonprofit, to pay, or offer to pay or allow, directly or indirectly, to
6 any person licensed by the state of Washington to engage in the
7 practice of medicine and surgery, drugless treatment in any form,
8 dentistry, or pharmacy and it shall be unlawful for such person to
9 request, receive or allow, directly or indirectly, a rebate, refund,
10 commission, unearned discount or profit by means of a credit or other
11 valuable consideration in connection with the referral of patients to
12 any person, firm, corporation or association, or in connection with the
13 furnishings of medical, surgical or dental care, diagnosis, treatment
14 or service, on the sale, rental, furnishing or supplying of clinical
15 laboratory supplies or services of any kind, drugs, medication, or
16 medical supplies, or any other goods, services or supplies prescribed
17 for medical diagnosis, care or treatment: PROVIDED, That ownership of
18 a financial interest in any firm, corporation or association which
19 furnishes any kind of clinical laboratory or other services prescribed
20 for medical, surgical, or dental diagnosis shall not be prohibited
21 under this section where the referring practitioner affirmatively
22 discloses to the patient and the patient's insurer in writing, the fact
23 that such practitioner has a financial interest in such firm,
24 corporation, or association and that such firm, corporation, or
25 association shall also notify the insurer at the time of billing for
26 said services.

27 Any person violating the provisions of this section is guilty of a
28 misdemeanor.