
By: Senator Hollinger

Introduced and read first time: January 29, 1997

Assigned to: Economic and Environmental Affairs

Committee Report: Favorable

Senate action: Adopted

Read second time: March 13, 1997

CHAPTER ____

1 AN ACT concerning

2 **Health Occupations - Patient Referrals**

3 FOR the purpose of altering a certain provision of law that prohibits health care
4 practitioners from referring patients to health care entities in which the health care
5 practitioners' immediate family owns a beneficial interest; and generally relating to
6 the referral of patients by health care practitioners to health care entities.

7 BY repealing and reenacting, with amendments,
8 Article - Health Occupations
9 Section 1-302
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1996 Supplement)

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

14 **Article - Health Occupations**

15 1-302.

16 (a) Except as provided in subsection (d) of this section, a health care practitioner
17 may not refer a patient, or direct an employee of or person under contract with the health
18 care practitioner to refer a patient to a health care entity:

19 (1) In which the health care practitioner [, the practitioner's immediate
20 family,] or the practitioner in combination with the practitioner's immediate family owns
21 a beneficial interest;

22 (2) IN WHICH THE PRACTITIONER'S IMMEDIATE FAMILY OWNS A
23 BENEFICIAL INTEREST OF 3 PERCENT OR GREATER; or

3

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

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

5 (ii) The Secretary, in conjunction with the Health Resources Planning
6 Commission, determines that the health care entity is needed to ensure appropriate
7 access for the community to the services provided at the health care entity;

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

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

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

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

23 (8) A health care practitioner with a beneficial interest in, or compensation
24 arrangement with, a hospital or related institution as defined in § 19-301 of the Health -
25 General Article or a facility, service, or other entity that is owned or controlled by a
26 hospital or related institution or under common ownership or control with a hospital or
27 related institution if:

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

30 (ii) Thereafter the beneficial interest or compensation arrangement of
31 the health care practitioner does not increase.

32 (e) A health care practitioner exempted from the provisions of this section in
33 accordance with subsection (d) shall be subject to the disclosure provisions of § 1-303 of
34 this subtitle.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 October 1, 1997.

