

Article - Health Occupations

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§1–301.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) “Beneficial interest” means ownership, through equity, debt, or other means, of any financial interest.

(2) “Beneficial interest” does not include ownership, through equity, debt, or other means, of securities, including shares or bonds, debentures, or other debt instruments:

(i) In a corporation that is traded on a national exchange or over the counter on the national market system;

(ii) That at the time of acquisition, were purchased at the same price and on the same terms generally available to the public;

(iii) That are available to individuals who are not in a position to refer patients to the health care entity on the same terms that are offered to health care practitioners who may refer patients to the health care entity;

(iv) That are unrelated to the past or expected volume of referrals from the health care practitioner to the health care entity; and

(v) That are not marketed differently to health care practitioners that may make referrals than they are marketed to other individuals.

(c) (1) “Compensation arrangement” means any agreement or system involving any remuneration between a health care practitioner or the immediate family member of the health care practitioner and a health care entity.

(2) “Compensation arrangement” does not include:

(i) Compensation or shares under a faculty practice plan or a professional corporation affiliated with a teaching hospital and comprised of health care practitioners who are members of the faculty of a university;

(ii) Amounts paid under a bona fide employment agreement between a health care entity and a health care practitioner or an immediate family member of the health care practitioner;

(iii) An arrangement between a health care entity and a health care practitioner or the immediate family member of a health care practitioner for the provision of any services, as an independent contractor, if:

1. The arrangement is for identifiable services;

2. The amount of the remuneration under the arrangement is consistent with the fair market value of the service and is not determined in a manner that takes into account, directly or indirectly, the volume or value of any referrals by the referring health care practitioner; and

3. The compensation is provided in accordance with an agreement that would be commercially reasonable even if no referrals were made to the health care provider;

(iv) Compensation for health care services pursuant to a referral from a health care practitioner and rendered by a health care entity, that employs or contracts with an immediate family member of the health care practitioner, in which the immediate family member's compensation is not based on the referral;

(v) An arrangement for compensation which is provided by a health care entity to a health care practitioner or the immediate family member of the health care practitioner to induce the health care practitioner or the immediate family member of the health care practitioner to relocate to the geographic area served by the health care entity in order to be a member of the medical staff of a hospital, if:

1. The health care practitioner or the immediate family member of the health care practitioner is not required to refer patients to the health care entity;

2. The amount of the compensation under the arrangement is not determined in a manner that takes into account, directly or indirectly, the volume or value of any referrals by the referring health care practitioner; and

3. The health care entity needs the services of the practitioner to meet community health care needs and has had difficulty in recruiting a practitioner;

(vi) Payments made for the rental or lease of office space if the payments are:

1. At fair market value; and

2. In accordance with an arm's length transaction;

(vii) Payments made for the rental or lease of equipment if the payments are:

1. At fair market value; and

2. In accordance with an arm's length transaction; or

(viii) Payments made for the sale of property or a health care practice if the payments are:

1. At fair market value;

2. In accordance with an arm's length transaction; and

3. Provided in accordance with an agreement that would be commercially reasonable even if no referrals were made.

(d) "Direct supervision" means a health care practitioner is present on the premises where the health care services or tests are provided and is available for consultation within the treatment area.

(e) "Faculty practice plan" means a tax-exempt organization established under Maryland law by or at the direction of a university to accommodate the professional practice of members of the faculty who are health care practitioners.

(f) "Group practice" means a group of two or more health care practitioners legally organized as a partnership, professional corporation, foundation, nonprofit corporation, faculty practice plan, or similar association:

(1) In which each health care practitioner who is a member of the group provides substantially the full range of services which the practitioner routinely provides through the joint use of shared office space, facilities, equipment, and personnel;

(2) For which substantially all of the services of the health care practitioners who are members of the group are provided through the group and are billed in the name of the group and amounts so received are treated as receipts of the group; and

(3) In which the overhead expenses of and the income from the practice are distributed in accordance with methods previously determined on an annual basis by members of the group.

(g) “Health care entity” means a business entity that provides health care services for the:

(1) Testing, diagnosis, or treatment of human disease or dysfunction;
or

(2) Dispensing of drugs, medical devices, medical appliances, or medical goods for the treatment of human disease or dysfunction.

(h) “Health care practitioner” means a person who is licensed, certified, or otherwise authorized under this article to provide health care services in the ordinary course of business or practice of a profession.

(i) “Health care service” means medical procedures, tests and services provided to a patient by or through a health care entity.

(j) “Immediate family member” means a health care practitioner’s:

- (1) Spouse;
- (2) Child;
- (3) Child’s spouse;
- (4) Parent;
- (5) Spouse’s parent;
- (6) Sibling; or
- (7) Sibling’s spouse.

(k) (1) “In–office ancillary services” means those basic health care services and tests routinely performed in the office of one or more health care practitioners.

(2) Except for a radiologist group practice or an office consisting solely of one or more radiologists, “in–office ancillary services” does not include:

- (i) Magnetic resonance imaging services;

- (ii) Radiation therapy services; or
- (iii) Computer tomography scan services.

(l) (1) “Referral” means any referral of a patient for health care services.

(2) “Referral” includes:

- (i) The forwarding of a patient by one health care practitioner to another health care practitioner or to a health care entity outside the health care practitioner’s office or group practice; or
- (ii) The request or establishment by a health care practitioner of a plan of care for the provision of health care services outside the health care practitioner’s office or group practice.

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