

SENATE BILL REPORT

SHB 1205

As Reported By Senate Committee On:
Health & Long-Term Care, March 21, 1995

Title: An act relating to physician referral.

Brief Description: Modifying physician self-referral provisions.

Sponsors: House Committee on Health Care (originally sponsored by Representative Dyer; by request of Department of Social and Health Services).

Brief History:

Committee Activity: Health & Long-Term Care: 3/21/95 [DP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; C. Anderson, Deccio, Fairley, Franklin, Moyer, Winsley and Wood.

Staff: Rhoda Jones (786-7198)

Background: In the Omnibus Budget Reconciliation Act of 1993 (OBRA), Congress included provisions that prohibit physicians from referring Medicaid patients to health care services in which they (or an immediate family member) have a financial interest. Physicians were already prohibited from self-referring Medicare patients for clinical laboratory services under previous federal legislation. The OBRA expansion of the ban went into effect on January 1, 1995.

Summary of Bill: The state Medicaid program is brought into compliance with federal OBRA requirements. Physicians are prohibited from self-referring Medicaid clients to medical facilities or services in which the physician or his/her family has a financial interest. These services include: clinical laboratory, physical therapy, occupational therapy, radiology, magnetic resonance imaging, computerized axial tomography, ultrasound, durable medical equipment, parenteral and enteral nutrients equipment, prosthetics, orthotics and prosthetic devices, home health, outpatient prescription drugs, inpatient and outpatient hospital services, radiation therapy and supplies.

Several exemptions to the self-referral ban include group practices, in-office ancillary services, physicians practicing in rural communities, and certain designated hospital services.

This legislation incorporates the exceptions by reference to the applicable federal law and permits the Department of Social and Health Services to adopt rules to explicitly address the exceptions.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is necessary to assure compliance with federal OBRA regulations.

Testimony Against: None.

Testified: Representative Dyer, original prime sponsor (pro).