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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that there is a
8 growing practice of health care professionals having financial interest
9 in laboratory and other services. The legislature further finds that
10 such practices may result in overutilization of health care services
11 and excessive costs to individuals, third-party payers, and the health
12 care system.

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

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

19 It shall be unlawful for any person, firm, corporation or
20 association, whether organized as a cooperative, or for profit or
21 nonprofit, to pay, or offer to pay or allow, directly or indirectly, to
22 any person licensed by the state of Washington to engage in the
23 practice of medicine and surgery, drugless treatment in any form,
24 dentistry, or pharmacy and it shall be unlawful for such person to
25 request, receive or allow, directly or indirectly, a rebate, refund,
26 commission, unearned discount or profit by means of a credit or other
27 valuable consideration in connection with the referral of patients to

1 any person, firm, corporation or association, or in connection with the
2 furnishings of medical, surgical or dental care, diagnosis, treatment
3 or service, on the sale, rental, furnishing or supplying of clinical
4 laboratory supplies or services of any kind, drugs, medication, or
5 medical supplies, or any other goods, services or supplies prescribed
6 for medical diagnosis, care or treatment: PROVIDED, That ownership of
7 a financial interest in any firm, corporation or association which
8 furnishes any kind of clinical laboratory or other services prescribed
9 for medical, surgical, or dental diagnosis shall not be prohibited
10 under this section where (1) the referring practitioner affirmatively
11 discloses to the patient and the patient's insurer in writing, the fact
12 that such practitioner has a financial interest in such firm,
13 corporation, or association; (2) the referring practitioner provides
14 the patient with a list of effective alternative facilities, informs
15 the patient that he or she has the option to use one of the alternative
16 facilities, and assures the patient that he or she will not be treated
17 differently by the referring practitioner if the patient chooses one of
18 the alternative facilities; and (3) that such firm, corporation, or
19 association shall also notify the insurer at the time of billing for
20 said services.

21 Any person violating the provisions of this section is guilty of a
22 misdemeanor."

23 **SB 6038** - S COMM AMD

24 By Committee on Health & Long-Term Care

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26 On page 1, line 2 of the title, after "professions;" strike the
27 remainder of the title and insert "amending RCW 19.68.010; and creating
28 a new section."