

# HOUSE BILL REPORT

## HB 2605

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**As Passed House:**  
February 12, 2010

**Title:** An act relating to billing for anatomic pathology services.

**Brief Description:** Concerning billing for anatomic pathology services.

**Sponsors:** Representatives Driscoll, Kelley, Chase, Ormsby and Moeller.

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 1/19/10, 1/29/10 [DP].

**Floor Activity:**

Passed House: 2/12/10, 61-36.

**Brief Summary of Bill**

- Prohibits physicians from directly or indirectly charging, billing, or soliciting payment for anatomic pathology services unless they were rendered directly by, or under the direct supervision of, the physician.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 9 members: Representatives Cody, Chair; Driscoll, Vice Chair; Campbell, Clibborn, Green, Kelley, Moeller, Morrell and Pedersen.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Ericksen, Ranking Minority Member; Bailey, Herrera and Hinkle.

**Staff:** Dave Knutson (786-7146).

**Background:**

Current law (chapter 19.68 RCW) permits a referring physician to charge patients for actual services performed by the physician for the patient, including reimbursement for the actual charges of pathologists performing services on referral. The referring physician is prohibited from charging any amount greater than the actual amount billed to the referring physician by

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the pathologist, and charges for additional services by the referring physician for the patient. There is currently no requirement that a referring physician disclose in the bill to a patient or payor the actual cost of the pathology service. This makes it difficult to apply and enforce the provisions of chapter 19.68 RCW relating to prohibiting the markup of pathology services.

The federal Medicare program prohibits physicians from billing Medicare for laboratory work they did not supervise or perform. Sixteen states currently require direct billing for pathology services.

**Summary of Bill:**

Clinical laboratories or physicians providing pathology services for patients must present a bill only to a patient, a third-party payor, a hospital or clinic ordering the service, the referring laboratory, or a government agency or its agent. Physicians cannot bill, directly or indirectly, for anatomic pathology services unless they were rendered personally or under the direct supervision of the physician. A violation of these requirements would be addressed under chapter 18.130 RCW, the Uniform Disciplinary Act.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Physicians should not be increasing the cost of pathology services paid by patients or insurance companies, unless they personally performed the services. This bill clarifies the current statute that already prohibits this practice.

(Opposed) A physician should be free to add to the cost of pathology services if additional professional work is performed by the physician.

(Available for questions) No questions were asked.

**Persons Testifying:** (In support) Representative Driscoll, prime sponsor; and Joe Rank and Richard Knierim, Washington State Society of Pathologists.

(Opposed) Craig Birkley, Washington State Dermatology Association, American Academy of Dermatology Association.

(Available for questions) Joe King, College of American Pathology.

**Persons Signed In To Testify But Not Testifying:** None.