

# SENATE BILL REPORT

## SB 6328

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As Reported by Senate Committee On:  
Health & Long-Term Care, January 28, 2010

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

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

**Sponsors:** Senator Marr.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 1/21/10, 1/28/10 [DP, w/oRec].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Fairley, Marr and Murray.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Becker and Parlette.

**Staff:** Mich'l Needham (786-7442)

**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 the pathologist. There is no requirement that a referring physician disclose in the bill to a patient or payor the actual cost of the pathology service and it is 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 to address concerns of billing markups.

**Summary of Bill:** Clinical laboratories or physicians providing anatomic 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.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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 will be addressed under chapter 18.130 RCW, the Uniform Disciplinary Act.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: Medicare has required direct billing for 25 years and 16 other states have laws that prevent billing markups. Washington has a law that attempts to prevent markups or kickbacks but it is not enforceable if the bills are not transparent. Building in this transparency with direct billing could help prevent fraud and abuse.

CON: Insurance billing is complicated enough now, where patients may receive a bill and an explanation of benefits (EOB) on every service. If we require direct billing for the pathology, patients will receive additional bills and EOBs, and the expense and administrative burden of billing will increase. There could also be a problem if the best pathologist for a service is not available because they are not contracted with the patient's insurance. This bill is part of a larger national effort of the pathologists to prevent anyone else from interpreting the lab work.

**Persons Testifying:** PRO: Senator Marr, prime sponsor; Dr. Joe Rank, Dr. Richard Knierim, and Peter Schrapen, Washington State Society of Pathologists.

CON: Marc Antezana, Washington State Dermatology Association.