

Amend SB 872 as follows:

(1) on page 2, following line 9, insert new Subsections (d)(1) through (3) to read as follows and renumber Subsection (1) as Subsection (4):

"(1) "Academic medical center" means an accredited medical school or accredited academic hospital that provides substantial academic or clinical teaching services in a field or fields of medical specialties, together with affiliated hospitals.

(2) "Affiliated hospital" means a medical hospital that is affiliated in a business arrangement with an academic medical center, the medical staff of which is composed of a majority of physicians on the faculty of the academic medical center, and a majority of the patient admissions of which come from that faculty.

(3) "Diagnostic imaging services" means magnetic resonance imaging, nuclear medicine, angiography, computed tomography, positron emission tomography, ultrasound, and any hybrid technologies combining any of these imaging modalities."

(2) on page 2, following line 14, add a new Subsection (d)(5) through (9) to read as follows and renumber Subsection (d)(2) as (d)(10):

"(5) "Health care provider" means any person licensed as a health professional or authorized to practice in health care under Subtitles B and C, Title 3.

(6) "Immediate family member" means the spouse, child, child's spouse, grandchild, grandchild's spouse, parent, parent-in-law, or sibling of a health care provider who is an individual."

(7) "Investment interest" means an equity or debt security issued by a person, including shares of stock in a corporation, units or other interests in a partnership, bonds, debentures, notes, or other equity interests or debt instruments. The term includes the rental or time sharing of imaging equipment in which the referring physician receives some portion of the billing revenue. The term does not include an interest in real property resulting in a landlord tenant relationship between a health care provider and another person in which the equity interest is held, unless the rent:

(A) is determined, in whole or in part, by the business volume or profitability of the tenant; or

(B) exceeds fair market value.

(8) "Investor" means a person who directly or indirectly holds a legal, beneficial ownership, or investment interest, including an interest held through an immediate family member, trust, or another person related to the investor within the meaning of 42 C.F.R. Section 413.17.

(9) "Licensing authority" means the department, board, office, or other agency of the state that regulates a health care provider that is subject to this chapter."

(3) on page 3, following line 8, add new Subsections (11) through (12) as follows:

(11) "Patient" means a person who receives a physical examination, evaluation, diagnosis, or treatment by a health care provider.

(12) "Referral" means a request by a health care provider for, or ordering of, diagnostic imaging services for a patient. The term includes the performance of a diagnostic imaging service for a patient by a health care provider or another person that exceeds a total charge or financial cost to the patient's payor equal to or greater than \$100 for each procedure.

(4) on page 3, following line 8, insert new SECTION 2 to read as follows and renumber subsequent sections:

SECTION 2. Subtitle A, Title 3, Occupations Code, is amended to read by adding Chapter 112 to read as follows:

"CHAPTER 112. REPORTING AND DISCLOSURE  
OF HEALTH CARE PROVIDER REFERRALS

Sec. 112.001. REPORTING AND DISCLOSURE OF REFERRALS. (a) A health care provider who refers a patient for the provision of diagnostic imaging services to a person in which the health care provider is an investor or has an investment interest shall provide the licensing authority with a quarterly report containing the total number of all referrals to any imaging facility and all claims data for those referrals required by the Center for Health Statistics of the Department of State Health Services.

(b) A person providing diagnostic imaging services that

performs services for a referring health care provider that has an investment interest in the person shall report to the Center for Health Statistics of the Department of State Health Services the identity of the referring health care provider, the exact nature of the investment interest, and the total number of all patients receiving diagnostic imaging services that were referred by the provider, together with additional claims data required by the center.

(c) A health care provider making a referral for diagnostic imaging services as described by this section must:

(1) disclose the provider's investment interest to the provider's patients in writing;

(2) advise the provider's patients that the patient may choose to have another person provide the diagnostic imaging services; and

(3) obtain and record the patient's written consent after the disclosure and prior to the provision of the diagnostic imaging services.

(d) A report required by this section must be made to the appropriate licensing agency and the Center for Health Statistics of the Department of State Health Services on a form provided to each health care provider by the center.

(e) Access to the information collected under this section must be made available to the public.

(f) A health care provider shall pay to the Center for Health Statistics of the Department of State Health Services a fee in the amount of \$500 with the initial disclosure made to the center and each year that the health care provider provides a report to the center. All fees collected under this section must be maintained in a segregated account outside the state treasury by the Center for Health Statistics of the Department of State Health Services to be used in the collection and analysis of the data collected under this chapter.

(g) The executive commissioner of the Health and Human Services Commission on behalf of the Center for Health Statistics of the Department of State Health Services shall adopt rules specifying the procedures and forms health care providers must use

to comply with this section. A health care provider that violates rules adopted by the executive commissioner is subject to a civil penalty of not more than \$1,000 for each violation. The center shall bring an action to impose and collect penalties under this section. All penalties collected under this section must be maintained in a segregated account outside the state treasury by the Center for Health Statistics of the Department of State Health Services to be used in the enforcement of this chapter.

Sec. 112.003. ALLOWED REFERRALS. Section 112.002 does not apply to:

(1) the referral by a health care provider on the faculty of an academic medical center to the academic medical center or an affiliated hospital; or

(2) a referral by a health care provider if the health care provider's investment interest is in registered securities purchased on a national exchange and issued by a publicly held corporation:

(A) the shares of which are traded on a national exchange; and

(B) the total assets of which at the end of the corporation's most recent fiscal quarter exceeded \$200 million.

Sec. 112.004. DISCIPLINARY ACTION. A failure to report or disclose in accordance with this chapter by a health care provider is grounds for disciplinary action to be taken by the licensing authority that regulates the health care provider."