

By: Brown of Kaufman

H.B. No. 3316

A BILL TO BE ENTITLED

AN ACT

relating to physician referrals to certain facilities providing
speciality services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 108.011, Health and Safety Code, is
amended by adding Subsection (c-1) to read as follows:

(c-1) The council shall use public use data to prepare and
issue reports that provide information for review and analysis by
the Health and Human Services Commission and the Texas Department
of Insurance relating to services that are provided in a hospital,
ambulatory surgical center, or imaging center and that are provided
by a physician with an ownership interest in the facility.

SECTION 2. Subtitle G, Title 4, Health and Safety Code, is
amended by adding Chapter 323 to read as follows:

CHAPTER 323. CERTAIN FACILITIES PROVIDING SPECIALTY SERVICES

Sec. 323.001. APPLICABILITY OF CHAPTER. This chapter
applies only to a facility that is:

(1) a hospital licensed under Chapter 241 that:

(A) limits admissions according to one or more
medical or surgical specialties, types of disease, or medical
conditions; or

(B) limits hospital services to specified
surgical, diagnostic, or treatment procedures;

(2) an ambulatory surgical center licensed under

1 Chapter 243; or

2 (3) a facility that primarily provides imaging
3 services and related services.

4 Sec. 323.002. RULES. The executive commissioner of the
5 Health and Human Services Commission shall adopt rules governing
6 the disclosure required by this chapter.

7 Sec. 323.003. DISCLOSURE OF PHYSICIAN OWNERSHIP INTEREST.

8 (a) A facility subject to this chapter shall disclose the name of
9 each physician who has any ownership interest in the facility. The
10 disclosure must be:

11 (1) posted in signs prominently displayed at the
12 facility;

13 (2) provided to each patient before the patient
14 receives services at the facility;

15 (3) stated in advertising, brochures, and similar
16 materials that publicize the facility; and

17 (4) stated on any Internet site maintained by the
18 facility.

19 (b) A facility is not required to provide the disclosure
20 required by Subsection (a)(2) before providing urgent or emergency
21 services.

22 SECTION 3. Subchapter B, Chapter 162, Occupations Code, is
23 amended by adding Sections 162.052 and 162.053 to read as follows:

24 Sec. 162.052. NOTICE OF CERTAIN OWNERSHIP INTERESTS. (a) A
25 physician shall notify the board and the Department of State Health
26 Services of any ownership interest held by the physician in a
27 facility described by Section 323.001, Health and Safety Code.

1 (b) The board, in consultation with the Department of State
2 Health Services, shall adopt rules governing the form and content
3 of the notice required by Subsection (a).

4 Sec. 162.053. TEMPORARY MORATORIUM ON REFERRAL TO CERTAIN
5 FACILITIES. (a) A physician may not refer a patient to a facility
6 described by Section 323.001, Health and Safety Code, if:

7 (1) the physician holds any ownership interest in the
8 facility; and

9 (2) the facility was not providing services before
10 September 1, 2005.

11 (b) This section expires September 1, 2007.

12 SECTION 4. The heading to Subchapter B, Chapter 162,
13 Occupations Code, is amended to read as follows:

14 SUBCHAPTER B. OWNERSHIP OR FORMATION OF [~~AUTHORITY TO FORM~~]

15 CERTAIN ENTITIES

16 SECTION 5. (a) In this section, "niche facility" means a
17 facility described by Section 323.001, Health and Safety Code.

18 (b) The Health and Human Services Commission and the Texas
19 Department of Insurance shall jointly conduct a study regarding the
20 proliferation of niche facilities in this state and physician
21 referrals to niche facilities owned in whole or part by the
22 physician.

23 (c) The study must include:

24 (1) a comprehensive review of the provision of
25 services by niche facilities owned in whole or part by physicians;
26 and

27 (2) a comprehensive analysis of:

1 (A) the financial impact on full-service
2 community hospitals of referrals by physicians to niche facilities
3 owned in whole or part by the referring physicians; and

4 (B) the impact of referrals described by
5 Paragraph (A) of this subdivision on access to health care in rural
6 and smaller urban areas in this state.

7 (d) Not later than December 1, 2006, the Health and Human
8 Services Commission and the Texas Department of Insurance shall
9 jointly submit a report to the governor, the lieutenant governor,
10 the speaker of the house of representatives, and the appropriate
11 standing committees of the legislature regarding the results of the
12 study conducted under this section.

13 (e) This section expires September 1, 2007.

14 SECTION 6. This Act takes effect September 1, 2005.