

By: Lindsay

S.B. No. 1622

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                   (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.