

## **BILL ANALYSIS**

S.B. 1832  
By: Duncan  
State Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current law does not require the disclosure to the patient of the net charges for anatomical pathology lab services. In some instances the referring physician is adding a markup to the anatomical pathology lab fee. Markup practices occur when an ordering physician increases the cost of the bill for the anatomic pathology service in order to accrue a hidden profit for the service when billing a patient or third party payor. These “markup” practices are deemed unethical under the explicit policies of the American Medical Association (AMA) and contrary to specific AMA coding guidelines.

S.B. 1832 will protect Texas patients by requiring a person, physician or entity that does not directly supervise or perform anatomic pathology services to disclose in the bill to the patient or the insurer or other third party payor or in an itemized statement to the patient the name and address of the physician or laboratory that provided the anatomic pathology services; and the net amount paid or to be paid for each anatomic pathology service provided to the patient by the physician or laboratory.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Medical Board in SECTION 3 of this bill.

### **ANALYSIS**

S.B. 1832 adds new Chapter 166 to the Occupations Code.

S.B. 1832 defines “Anatomic pathology services”, for purposes of Chapter 166, Occupations Code.

S.B. 1832 provides that a person violates this subtitle and is subject to disciplinary action and penalties if the person does not directly supervise or perform anatomic pathology services for a patient and fails to disclose in the bill presented by the person to the patient or the insurer or other third party payor or in an itemized statement to the patient the name and address of the physician or laboratory that provided the anatomic pathology services, and the net amount paid or to be paid for each anatomic pathology service provided to the patient by the physician or laboratory.

S.B. 1832 only applies to anatomic pathology services performed on or after the effective date of this Act.

### **EFFECTIVE DATE**

September 1, 2007.