

BILL ANALYSIS

Senate Research Center
80R14742 YDB-F

C.S.S.B. 1832
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State Affairs
4/17/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Markup practices for pathology services occur when a physician ordering the services bills the services at a higher rate to a patient or health plan in order to accrue a hidden profit for the service through billing the patient or third-party payor. Such practices have been deemed unethical under the explicit policies of the American Medical Association and are contrary to their specific coding guidelines. Such practices are possible because current law does not require these services to be itemized in the bill provided to the entity paying the referring physician for the services.

C.S.S.B. 1832 requires a physician to provide to the entity paying the referring physician for certain services the name and address of the physician or laboratory that provided the services and the net amount paid for each service provided to the patient by the physician or laboratory.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Medical Board in SECTION 3 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle B, Title 3, Occupations Code, by adding Chapter 166, as follows:

CHAPTER 166. BILLING OF ANATOMIC PATHOLOGY SERVICES

Sec. 166.001. DEFINITION. Defines "anatomic pathology services."

Sec. 166.002. ANATOMIC PATHOLOGY BILLING. Provides that a person, including a physician and an entity, violates this subtitle (Physicians) and is subject to disciplinary action and penalties under it 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, 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 services and the net amount paid or to be paid for each service provided to the patient by the physician or laboratory.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Requires the Texas Medical Board to adopt rules necessary to implement Chapter 166, Occupations Code, as added by this Act.

SECTION 4. Effective date: September 1, 2007.