

SECOND REGULAR SESSION

SENATE BILL NO. 1019

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SATER.

Read 1st time February 3, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6283S.011

AN ACT

To repeal section 334.253, RSMo, and to enact in lieu thereof one new section relating to physician referral for physical therapy.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 334.253, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 334.253, to read as follows:

334.253. 1. A physician may not make a referral to an entity for the
2 furnishing of any physical therapy services with whom the physician, physician's
3 employer, or immediate family member of such referring physician has a financial
4 relationship. A financial relationship exists if the referring physician, the
5 referring physician's employer, or immediate family member:

6 (1) Has a direct or indirect ownership or investment interest in the entity
7 whether through equity, debt, or other means; or

8 (2) Receives remuneration from a compensation arrangement from the
9 entity for the referral.

10 2. The following financial arrangements shall be exempt from disciplinary
11 action under this section:

12 (1) When the entity with whom the referring physician has an ownership
13 or investment interest is the sole provider of the physical therapy service within
14 a rural area;

15 (2) When the referring physician owns registered securities issued by a
16 publicly held corporation or publicly traded limited partnership, the shares of
17 which are traded on a national exchange or the over-the-counter market, provided
18 that such referring physician's interest in the publicly held corporation or
19 publicly traded limited partnership is less than five percent and the referring

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 physician does not receive any compensation from such publicly held corporation
21 or publicly traded limited partnership other than as any other owner of the
22 shares of such publicly held corporation or publicly traded limited partnership;

23 (3) When the referring physician has an interest in real property resulting
24 in a landlord-tenant relationship between the physician and the entity in which
25 the equity interest is held, unless the rent is determined, in whole or in part, by
26 the business volume or profitability of the tenant or is otherwise unrelated to fair
27 market value;

28 (4) When the indirect ownership in the entity is by means of a bona fide
29 debt incurred in the purchase or acquisition of the entity for a price which does
30 not in any manner reflect the potential source of referrals from the physician with
31 the indirect interest in the entity and the terms of the debt are fair market value,
32 and neither the amount or the terms of the debt in any manner, directly or
33 indirectly, constitutes a form of compensating such physician for the source of his
34 business;

35 (5) When such physician's employer is a health maintenance organization
36 as defined in subdivision (6) of section 376.960 and such health maintenance
37 organization owns or controls other organizations which furnish physical therapy
38 services so long as the referral is to such owned or controlled organization and
39 the physician does not also have a direct or indirect ownership or investment
40 interest in such organization, physical therapy services or the health maintenance
41 organization and the referring physician does not receive any remuneration as the
42 result of the referral;

43 (6) When such physician's employer is a hospital defined in section
44 197.020 and such hospital owns or controls other organizations which furnish
45 physical therapy services so long as the referral is to such owned or controlled
46 organization and the physician does not also have a direct or indirect ownership
47 or investment interest in such organization, physical therapy service, or the
48 hospital and the referring physician does not receive any remuneration as the
49 result of the referral;

50 **(7) When the entity with whom the referring physician has an**
51 **ownership or investment interest is compliant with the limitation of**
52 **physician referrals as provided in 42 U.S.C. Section 1395nn.**

53 [3. The provisions of sections 334.252 and 334.253 shall become effective
54 January 1, 1995.]

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