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Goodman's Bill Eliminating Unnecessary Patient Expenses to Be Heard in Committee

JEFFERSON CITY— A bill sponsored by Sen. Jack Goodman, R-Mt. Vernon, ensuring that patients only pay physicians for services rendered will soon be heard in committee. Senate Bill 1076 prohibits physicians from billing patients for certain testing services that were performed by outside medical laboratories. Under the legislation, the lab would have to directly bill the patient and insurance companies for the tests.

Goodman drafted this measure to protect patients from doctors who mark up the cost of lab tests that are conducted at outside facilities. Current law allows labs to charge the doctors a discounted price for the tests in exchange for a high volume of referrals. Because insurance companies are often unaware of the discount arrangement, the doctors who mark up the lab work are reimbursed for an inflated price.

“The doctors themselves get to pocket the difference, meaning they profit from unethically over-billing their patients,” Goodman said. “Although most doctors are ethical and compassionate, there are those who give others a bad name by engaging in these inappropriate practices, and this results in higher health-care costs.”

The more tests a doctor sends to a partner lab, the more money the doctor and the lab make. These referral deals give doctors an incentive to send patient samples to labs that offer lower prices, not higher quality.

“Missouri law should not allow for kickback arrangements, because they force the patients to question whether the motives of their doctors are professionally or financially driven,” Goodman said. “By eliminating this abuse, SB 1076 will make our health-care system more transparent and reduce the price of health care for Missourians.”

The federal Medicare program, Missouri Medicaid and nine other states also prohibit referral physician billing for certain pathology services. The ban is also consistent with the American Medical Association's code of ethics.

The measure has been referred to the Senate Committee on Aging, Families, Mental & Public Health, where it will be put before a public hearing. Committee approval will send the bill to the Senate floor for debate by the full body.

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