FIRST REGULAR SESSION

SENATE BILL NO. 317

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SATER.

Read 1st time January 19, 2017, and ordered printed.

ADRIANE D. CROUSE, Secretary.

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Section A. Section 334.253, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 334.253, to read as follows: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 furnishing of any physical therapy services with whom the physician, physician's employer, or immediate family member of such referring physician has a financial relationship. A financial relationship exists if the referring physician, the referring physician's employer, or immediate family member:

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

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

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

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

(2) When the referring physician owns registered securities issued by a publicly held corporation or publicly traded limited partnership, the shares of which are traded on a national exchange or the over-the-counter market, provided that such referring physician's interest in the publicly held corporation or publicly traded limited partnership is less than five percent and the referring 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;
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24 (3) When the referring physician has an interest in real property resulting
25 in a landlord-tenant relationship between the physician and the entity in which
26 the equity interest is held, unless the rent is determined, in whole or in part, by
27 the business volume or profitability of the tenant or is otherwise unrelated to fair
28 market value;
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30 (4) When the indirect ownership in the entity is by means of a bona fide
31 debt incurred in the purchase or acquisition of the entity for a price which does
32 not in any manner reflect the potential source of referrals from the physician with
33 the indirect interest in the entity and the terms of the debt are fair market value,
34 and neither the amount or the terms of the debt in any manner, directly or
35 indirectly, constitutes a form of compensating such physician for the source of his
36 business;
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38 (5) When such physician's employer is a health maintenance organization
39 as defined in subdivision (6) of section 376.960 and such health maintenance
40 organization owns or controls other organizations which furnish physical therapy
41 services so long as the referral is to such owned or controlled organization and
42 the physician does not also have a direct or indirect ownership or investment
43 interest in such organization, physical therapy services or the health maintenance
44 organization and the referring physician does not receive any remuneration as the
45 result of the referral;
46
47 (6) When such physician's employer is a hospital defined in section
48 197.020 and such hospital owns or controls other organizations which furnish
49 physical therapy services so long as the referral is to such owned or controlled
50 organization and the physician does not also have a direct or indirect ownership
51 or investment interest in such organization, physical therapy service, or the
52 hospital and the referring physician does not receive any remuneration as the
53 result of the referral;
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55 (7) When the patient or guardian has signed the disclosure form
56 outlined in subdivision (22) of subsection 2 of section 334.100.
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58 3. The provisions of sections 334.252 and 334.253 shall become effective