

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6861
BILL NUMBER: SB 258

NOTE PREPARED: Jan 3, 2024
BILL AMENDED:

SUBJECT: Physician Referrals and Reimbursement Rates.

FIRST AUTHOR: Sen. Busch
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: *Physician Referrals:* The bill prohibits a referring physician from receiving compensation or an incentive from a health care entity or another physician, who is in the same health care network as the referring physician, for referring a patient to the health care entity or other physician.

Physician Reimbursement Reporting: The bill also provides that the rules adopted by the Department of Insurance regarding the all payer claims data base must include a requirement that health payers report physician reimbursement rates for each contract and specify a process for health payers to report the physician reimbursement rates. It requires the all payer claims data base to publish the physician reimbursement rates as a separate line item for each contract instead of in the aggregate.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Physician Reimbursement Reporting:* The bill will increase the workload of the Department of Insurance (DOI) to adopt rules and structure the database to provide the disaggregated data. This is within the routine administrative functions of the DOI and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels. [The DOI is funded through a dedicated agency fund.]

Physician Referrals: The Professional Licensing Agency (PLA) may need to update its website and notify the affected providers of these changes. This is within the PLA's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance; Professional Licensing Agency.

Local Agencies Affected:

Information Sources:

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