

FIRST REGULAR SESSION

# HOUSE BILL NO. 429

## 99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CORNEJO.

1148H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 334.253, RSMo, and to enact in lieu thereof one new section relating to physical therapists.

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Section A. Section 334.253, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 334.253, to read as follows: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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 publicly traded limited partnership other than as any other owner of the shares of such publicly  
19 held corporation or publicly traded limited partnership;

20 (3) ~~[When]~~ **If** the referring physician has an interest in real property resulting in a  
21 landlord-tenant relationship between the physician and the entity in which the equity interest is  
22 held, unless the rent is determined, in whole or in part, by the business volume or profitability  
23 of the tenant or is otherwise unrelated to fair market value;

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

30 (5) ~~[When]~~ **If** such physician's employer is a health maintenance organization as defined  
31 in subdivision (6) of section 376.960 and such health maintenance organization owns or controls  
32 other organizations which furnish physical therapy services so long as the referral is to such  
33 owned or controlled organization and the physician does not also have a direct or indirect  
34 ownership or investment interest in such organization, physical therapy services or the health  
35 maintenance organization and the referring physician does not receive any remuneration as the  
36 result of the referral;

37 (6) ~~[When]~~ **If** such physician's employer is a hospital defined in section 197.020 and  
38 such hospital owns or controls other organizations which furnish physical therapy services so  
39 long as the referral is to such owned or controlled organization and the physician does not also  
40 have a direct or indirect ownership or investment interest in such organization, physical therapy  
41 service, or the hospital and the referring physician does not receive any remuneration as the result  
42 of the referral;

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

46 3. The provisions of sections 334.252 and 334.253 shall become effective January 1,  
47 1995.

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