

State of South Dakota

EIGHTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2012

481T0348

SENATE BILL NO. 74

Introduced by: Senators Kraus, Bradford, Cutler, Gray, Hansen (Tom), Haverly, Maher, Schlekeway, and Tieszen and Representatives Munsterman, Abdallah, Deelstra, Hickey, Lucas, Lust, Novstrup (David), Olson (Betty), Rausch, Romkema, Sigdestad, Sly, Tornow, Verchio, and Willadsen

1 FOR AN ACT ENTITLED, An Act to require the direct billing of anatomic pathology services.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. A clinical laboratory or physician, located in this state and providing anatomic
4 pathology services for patients in this state, may present a claim, bill, or demand for payment
5 for these services only to the following:

6 (1) The patient directly;

7 (2) The responsible insurer or other third-party payor;

8 (3) The hospital, public health clinic, or nonprofit health clinic ordering such services;

9 (4) The referring laboratory, excluding a laboratory of a physician's office or group
10 practice that does not perform the professional component of the anatomic pathology
11 service for which such claim, bill, or demand is presented;

12 (5) Governmental agencies or their specified public or private agent, agency, or
13 organization on behalf of the recipient of the services.

14 Section 2. Except for a physician at a referring laboratory that has been billed pursuant to



1 section 6 of this Act, no licensed practitioner in the state may, directly or indirectly, charge, bill,
2 or otherwise solicit payment for anatomic pathology services unless such services were rendered
3 personally by the licensed practitioner or under the licensed practitioner's direct supervision in
4 accordance with section 353 of the Public Health Service Act (42 U.S.C. 263a).

5 Section 3. No patient, insurer, third party payor, hospital, public health clinic, or nonprofit
6 health clinic may be required to reimburse any licensed practitioner for charges or claims
7 submitted in violation of this Act.

8 Section 4. Nothing in this Act mandates the assignment of benefits for anatomic pathology
9 services as defined in section 5 of this Act.

10 Section 5. For purposes of this Act, the term, anatomic pathology services, means:

- 11 (1) Histopathology or surgical pathology meaning the gross and microscopic
12 examination performed by a physician or under the supervision of a physician,
13 including histologic processing;
- 14 (2) Cytopathology meaning the microscopic examination of cells from the following:
- 15 (a) Fluids;
 - 16 (b) Aspirates;
 - 17 (c) Washings;
 - 18 (d) Brushings; or
 - 19 (e) Smears, including the Pap test examination performed by a physician or under
20 the supervision of a physician;
- 21 (3) Hematology meaning the microscopic evaluation of bone marrow aspirates and
22 biopsies performed by a physician, or under the supervision of a physician, and
23 peripheral blood smears when the attending or treating physician, or technologist
24 requests that a blood smear be reviewed by a pathologist;

1 (4) Sub-cellular pathology or molecular pathology meaning the assessment of a patient
2 specimen for the detection, localization, measurement, or analysis of one or more
3 protein or nucleic acid targets;

4 (5) Blood-banking services performed by pathologists.

5 Section 6. The provisions of this Act do not prohibit billing of a referring laboratory for
6 anatomic pathology services in instances whenever a sample or samples must be sent to another
7 physician or laboratory for consultation or histologic processing for purposes of this section.
8 However, the term, referring laboratory, does not include a laboratory of a physician's office or
9 group practice that does not perform the professional component of the anatomic pathology
10 service involved.

11 Section 7. The respective state licensing boards may revoke, suspend, or deny renewal of
12 the license of any practitioner, under the board's jurisdiction, who violates the provisions of this
13 Act.