

Preamble

WHEREAS, It has been the policy of this State that if a health care practitioner refers a patient to a health care entity in which the practitioner has a beneficial interest or with which the practitioner has a compensation arrangement, the health care practitioner must disclose the existence of the arrangement or interest to the patient and must document in the medical record of the patient that a medical need exists for the referral; and

WHEREAS, The requirement for disclosure enables a patient to make an informed decision concerning the provider of a health care service and ensures that a medical need exists for the service; and

WHEREAS, It is the intent of the General Assembly that if the General Assembly should enact legislation to provide future exemptions from the provisions of § 1-302 of the Health Occupations Article for any health care practitioner, the health care practitioner shall be required to comply with the requirements for disclosure of a beneficial interest or a compensation arrangement; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 1-206 of Article - Health Occupations of the Annotated Code of Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article - Health Occupations****SUBTITLE 3. PATIENT REFERRALS**

1-301.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) (1) "BENEFICIAL INTEREST" MEANS OWNERSHIP, THROUGH EQUITY, DEBT, OR OTHER MEANS, OF ANY FINANCIAL INTEREST.

(2) "BENEFICIAL INTEREST" DOES NOT INCLUDE OWNERSHIP, THROUGH EQUITY, DEBT, OR OTHER MEANS, OF SECURITIES, INCLUDING SHARES OR BONDS, DEBENTURES, OR OTHER DEBT INSTRUMENTS:

(I) IN A CORPORATION THAT IS TRADED ON A NATIONAL EXCHANGE OR OVER THE COUNTER ON THE NATIONAL MARKET SYSTEM;

(II) THAT AT THE TIME OF ACQUISITION, WERE PURCHASED AT THE SAME PRICE AND ON THE SAME TERMS GENERALLY AVAILABLE TO THE PUBLIC;

(III) THAT ARE AVAILABLE TO INDIVIDUALS WHO ARE NOT IN A POSITION TO REFER PATIENTS TO THE HEALTH CARE ENTITY ON THE SAME TERMS THAT ARE OFFERED TO HEALTH CARE PRACTITIONERS WHO MAY REFER PATIENTS TO THE HEALTH CARE ENTITY;