

~~(b) A health care practitioner who has a beneficial interest in a cardiac rehabilitation facility who entered into a written affiliation agreement for that facility on or before December 30, 1988 provided that:~~

~~(1) The facility is staffed by hospital employees;~~

~~(2) The provision of services is consistent with the quality assurance policies established by the hospital; and~~

~~(3) The cardiac rehabilitation facility does not expand beyond the number of locations in existence in the State on January 1, 1993.~~

~~SECTION 4. 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1993.~~

*SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of § 1-302 of the Health Occupations Article, a health care practitioner who as of January 1, 1993 has a beneficial interest in or compensation arrangement with a health care entity to which the health care practitioner makes referrals that are prohibited under § 1-302 of the Health Occupations Article shall have until March 15, 1997 to dispose of that beneficial interest or compensation arrangement if the health care practitioner plans to continue to make patient referrals to that health care entity after March 15, 1997. A health care practitioner who makes referrals under this section between October 1, 1993 and March 15, 1997 shall comply with the disclosure provisions of § 1-303(b) and be subject to the penalty provisions of § 1-303(d) of the Health Occupations Article.*

*SECTION 5. AND BE IT FURTHER ENACTED, That the Institute for Governmental Service and the William Donald Schaefer Center for Public Policy shall jointly conduct a study that evaluates the extent to which health care practitioners in Maryland have beneficial interests in or compensation arrangements with health care entities to which they make referrals of patients for health care services. The study shall also compare the frequency of referral and the cost of services between practitioners who refer patients to entities in which they have beneficial interests or with which they have compensation arrangements and the frequency of referral and the cost of services of practitioners who do not have beneficial interests in or compensation arrangements with the entities to which they make patient referrals. The study should evaluate if the referral of patients by health care practitioners to entities that they have beneficial interests in or compensation arrangements with results in higher costs of health care and unnecessary utilization of health care services. The Institute for Governmental Service and the William Donald Schaefer Center for Public Policy shall issue a preliminary report, in accordance with § 2-1312 of the State Government Article, to the Senate Economic and Environmental Affairs Committee and the House Environmental Matters Committee on or before July 1, 1995 and issue a final report on or before December 31, 1995 on the findings of its study.*

*SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1993.*

Approved May 11, 1993.