

equipment, or for the sale of property or of a health care practice, from the definition of "compensation arrangement" for purposes of certain prohibitions and disclosure requirements relating to patient referrals; exempting from a certain prohibition against patient referrals a health care practitioner who refers a patient to a hospital in which the practitioner has a beneficial interest if the practitioner meets certain requirements; and generally relating to certain patient referrals by certain health care practitioners.

BY repealing and reenacting, with amendments,

Article - Health Occupations

Section 1-301(c) and 1-302

Annotated Code of Maryland

(1994 Replacement Volume and 1999 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Health Occupations

1-301.

(c) (1) "Compensation arrangement" means any agreement or system involving any remuneration between a health care practitioner or the immediate family member of the health care practitioner and a health care entity.

(2) "Compensation arrangement" does not include:

(i) Compensation or shares under a faculty practice plan or a professional corporation affiliated with a teaching hospital and comprised of health care practitioners who are members of the faculty of a university;

(ii) Amounts paid under a bona fide employment agreement between a health care entity and a health care practitioner or an immediate family member of the health care practitioner;

(iii) An arrangement between a health care entity and a health care practitioner or the immediate family member of a health care practitioner for the provision of any services, as an independent contractor, if:

1. The arrangement is for identifiable services;

2. The amount of the remuneration under the arrangement is consistent with the fair market value of the service and is not determined in a manner that takes into account, directly or indirectly, the volume or value of any referrals by the referring health care practitioner; and

3. The compensation is provided in accordance with an agreement that would be commercially reasonable even if no referrals were made to the health care provider;

(iv) Compensation for health care services pursuant to a referral from a health care practitioner and rendered by a health care entity, that employs or