



**Sub. S.B. 56**

123rd General Assembly  
(As Passed by the General Assembly)

**Sens. White, Drake, Cupp, Carnes, Mumper, Shoemaker, Schafrath, Prentiss, Kearns, Gardner, Wachtmann, DiDonato, Armbruster, Nein**

**Reps. Ogg, Van Vyven, Hood, Pringle, Boyd, Opfer, D. Miller, Padgett, Hartnett, Winkler, Sulzer, Allen, Ford, Bender, Terwilleger, Barnes, Brading, Hollister, Willamowski, Grendell, Gerberry, Stapleton, Wilson, Householder, Haines, Distel, Verich, Britton, Gooding, Beatty, Cates, O'Brien, Salerno, Buehrer**

**Effective date:** \*

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**ACT SUMMARY**

- Authorizes the employment of physicians by a rural hospital and any health care facility the hospital owns or operates.

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**CONTENT AND OPERATION**

**Employment of physicians by rural hospitals**

(sec. 4731.31)

The act specifically permits the employment of physicians by a rural hospital or a health care facility that is owned or operated by a rural hospital. The act recognizes a hospital as being rural if the county in which the hospital is located has a population of less than 125,000.<sup>1</sup>

To qualify under the act's provision for employment of physicians, the rural hospital must be operated by a corporation or association as a nonprofit hospital or

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\* *The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared.*

<sup>1</sup> *At the time of the 1990 U.S. Census, 69 counties in Ohio had a population of less than 125,000.*

be operated as a public hospital, which includes county, municipal, university, and state hospitals. The hospital must (1) be registered with the Department of Health and (2) either be accredited by the Joint Commission on Accreditation of Healthcare Organizations or the American Osteopathic Association or certified for participation in the Medicare program.

The act prohibits a rural hospital or health care facility that employs a physician from controlling the physician's professional clinical judgment exercised within accepted and prevailing standards of practice in the physician's rendering of care, treatment, or professional advice to a particular patient. The act provides that a rural hospital or health care facility may not require that a physician be employed by the hospital or facility as a condition of granting the physician privileges to practice there. No penalty is specified for violating either of these provisions.

The act provides that a rural hospital or health care facility that employs a physician is not in violation of laws that prohibit the unlicensed practice of medicine or podiatry.

**Fee splitting**

(sec. 4731.22(B)(17))

The State Medical Board has authority to take disciplinary action against a physician, including a podiatrist, for (1) engaging in the division of fees for referral of patients or (2) receiving a thing of value in return for a specific referral of a patient to utilize a particular service or business. The act provides that neither of these reasons for taking disciplinary action are to be applied to a physician as a result of being employed by a rural hospital pursuant to the act.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	02-09-99	p. 117
Reported, S. Health, Human Services, & Aging	03-16-99	p. 200
Passed Senate (33-0)	03-16-99	pp. 203-204
Reported, H. Health, Retirement & Aging	04-21-99	pp. 456-457
Passed House (96-1)	04-28-99	pp. 485-486

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