



**Sub. S.B. 56**

123rd General Assembly

(As Reported by H. Health, Retirement & Aging)

**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**

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**BILL 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 bill 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 bill 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 bill's provision for employment of physicians, the rural hospital must be operated by a corporation or association as a nonprofit hospital or 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

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

Healthcare Organizations or the American Osteopathic Association or certified for participation in the Medicare program.<sup>2</sup>

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

**Fee splitting**

(sec. 4731.22(B)(17))

Under current law, 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 bill 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 bill.

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**COMMENT**

City- and county-owned hospitals are authorized under current law to hire physicians and pay them appropriate compensation. (R.C. 749.15(A) and 339.06(F).) Ohio law also allows the employment of interns and residents by hospitals. *Rush v. Akron General Hospital* (1957), 171 N.E. 2d 378, 380.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
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<sup>2</sup> *This provision may be unnecessary since existing law requires all hospitals operating in Ohio to register with the Department and to be either accredited or Medicare-certified.*

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

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