

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Sub. H.B. 493** DATE: **May 23, 2008**
STATUS: **As Reported by House Health** SPONSOR: **Rep. Daniels**
LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**
CONTENTS: **Revises the law regarding billing for anatomic pathology services**

State Fiscal Highlights

STATE FUND	FY 2009 and FUTURE YEARS
Fund 5C6 (State Medical Board Operating Fund)	
Revenues	- 0 -
Expenditures	Potential minimal increase in administrative costs

Note: The state fiscal year is July 1 through June 30. For example, FY 2009 is July 1, 2008 – June 30, 2009.

- The bill may result in a minimal increase in administrative costs for the State Medical Board associated with addressing violations of the provisions regarding billing for anatomic pathology services.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.



Detailed Fiscal Analysis

The bill establishes restrictions regarding billing for anatomic pathology services. The bill prohibits a clinical laboratory or a physician from presenting, or causing to be presented, a claim, bill, or demand for payment for anatomic pathology services to any person other than the following: the patient or other person responsible for the patient's bills, the patient's insurer or other third-party payor, a hospital or clinic that orders the services, a referring clinical laboratory, or a governmental agency or person acting on behalf of such an agency. The bill also prohibits a physician from charging, billing, or otherwise soliciting payment, directly or indirectly, for anatomic pathology services unless the services are personally rendered by the physician or rendered under the direct supervision of the physician in accordance with federal law governing the certification of clinical laboratories. The bill also specifies that a physician who performs the professional component of an anatomic pathology service is not prohibited from billing for the service when the technical component is performed by a clinical laboratory.

OAC 5101:3-11-08 specifies the limits on reimbursement for anatomic pathology services for patients receiving services under the Medicaid program. This bill will not affect state costs for the Medicaid program.

The bill also authorizes the State Medical Board to take disciplinary action against a physician who violates the provisions of the bill. Under current law, the State Medical Board does not have the authority to take action directly related to billing. Presently, the Board generally directs individuals with billing disputes to the professional associations, Department of Insurance, or the provider in question. The Board does not expect a significant number of complaints to be filed related to these provisions. However, if a violation occurs, there may be a minimal increase in administrative costs to the Board associated with taking disciplinary action.

LSC fiscal staff: Stephanie Suer, Budget Analyst

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