

## HOUSE MESSAGE SUMMARY

Date: April 29, 1998

Bill Subject: Delivery of Health Care Services (Provider-Sponsored Organizations)

Prepared By: Senate Committee on Banking and Insurance

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### I. Amendments Contained in Message

**House Amendment 205465 (1st House amendment, but marked has "2")** (body with title)  
**House Amendment 371601 (2nd House amendment, but marked as "3")** (body with title)

### II. Summary of Amendments Contained in Message

**House Amendment 205465 (1st House amendment, but marked has "2"):** The amendment provides that group practices are exempt from the prohibition against referring a patient for designated health services to any entity in which the provider has an investment interest, but further provides that this exemption is forfeited if the group practice accepts a referral from a physician who is not a member of the group practice but who has an investment interest in the group practice. The amendment is substantively similar to the provisions contained in SB 2182 by Senator Cowin, which was referenced to the Health Care Committee but not agendaed.

(The following was prepared by Wanda Carter, Health Care Staff): This amendment would nullify a provision in the joint venture law (the Patient Self-Referral Act 1992, s. 455.654, F.S.) limiting the scope of business activity in which a physician group practice may engage when providing certain designated health services. Designated health services, as provided in the Act, are: 1) clinical laboratory services; 2) physical therapy services; 3) comprehensive rehabilitative services, which include speech, occupational, or physical therapy services on an outpatient or ambulatory basis; 4) diagnostic-imaging services; or 5) radiation therapy services. Under sub-subparagraph 455.654(3)(k)3.f., F.S., a group practice that provides a designated health service to only the patients of the group and does not accept referrals from a health care provider that is not a member of the group is exempted from the prohibition of providing designated health services in which the group practice, or one of its members, is an investor or has an investment interest, as provided in paragraph 455.654(4)(a), F.S. The joint venture law was enacted to slow the proliferation of high-tech health care services that characteristically utilize costly equipment and that, due to the control physicians have over the rate and frequency of their use, were found to contribute extraordinary inflationary pressures to health care costs by substantially impacting

utilization rates and reimbursement rates of the Medicare and Medicaid programs as well as private insurance.

**House Amendment 371601 (2nd House amendment, but marked as "3"):** This amendment would take effect only if HB 4047 or similar legislation is enacted. HB 4047 is the companion to SB 1416, which is on Special Order, which provides an exemption from insurance rate and form filing requirements for health insurance sold to foreigners in airports. The Senate Bill (1416) on Special Order applies certain provisions of the Insurance Code to such transactions, including the civil remedy statute, s. 624.155, and the statute that awards attorney fees to an insured who successfully sues his or her insurer, s. 627.428. However, the House Bill (4047) which has been passed by the House and has been referred to committee(s) in the Senate, does not apply these two sections. The purpose of the amendment is to enable the Senate to substitute HB 4047 for SB 1416 and send it to the Governor, rather than amend the House Bill and send it back to the House.