

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 636
Committee Substitute Favorable 5/31/05
Third Edition Engrossed 6/1/05

Short Title: Anatomic Pathology Services/Provider Billing.

(Public)

Sponsors:

Referred to:

March 15, 2005

A BILL TO BE ENTITLED

AN ACT TO REQUIRE DISCLOSURE OF MARKUPS OF ANATOMIC
PATHOLOGY SERVICES BY PHYSICIANS, HOSPITALS, DENTISTS, AND
PODIATRISTS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 90 of the General Statutes is amended by adding the
following new Article to read:

"Article 40.

"Pathology Services Billing.

"§ 90-681. Billing of anatomic pathology services.

(a) It shall be unlawful for any person licensed to practice medicine, podiatry, or dentistry in this State to bill a patient, entity, or person for anatomic pathology services in an amount in excess of the amount charged by the clinical laboratory for performing the service unless the licensed practitioner discloses conspicuously on the itemized bill or statement, or in writing by a separate itemized disclosure statement:

- 1) The amounts charged by the laboratory for the anatomic pathology service;
- (2) Any other charge that has been included in the bill, and
- (3) The name of the licensed practitioner performing or supervising the anatomic pathology service.

The disclosure required under this subsection shall be printed in a 10-point or higher font size.

(b) It shall be unlawful for any hospital licensed in this State to bill a patient, entity, or person for anatomic pathology services in an amount in excess of the amount charged by the clinical laboratory for performing the service unless the hospital discloses conspicuously on the itemized bill or statement, or in writing by a separate itemized disclosure statement:

- 1 (1) The amounts charged by the laboratory for the professional anatomic
2 pathology services;
3 (2) Any other charge that has been included in the bill, and
4 (3) The name of the licensed practitioner performing or supervising the
5 anatomic pathology service.

6 The disclosure required under this subsection shall be printed in a 10-point or higher
7 font size.

8 (c) A bill for anatomic pathology services submitted to a patient, entity, or person
9 for payment shall disclose the name and address of the laboratory performing the
10 professional component of the service.

11 (d) The requirements of subsections (a) and (b) of this section shall not apply to:

- 12 (1) A licensed practitioner performing or supervising anatomic pathology
13 services, or
14 (2) A hospital or physician group practice where a physician employee or
15 physician under contract to a hospital or a physician group practice is
16 providing or supervising anatomic pathology services and is
17 compensated by the hospital or physician group practice for the
18 services.

19 (e) As used in this section, the term "anatomic pathology services" means:

- 20 (1) Histopathology or surgical pathology meaning the gross and
21 microscopic examination and histologic processing of organ tissue
22 performed by a physician or under the supervision of a physician;
23 (2) Cytopathology meaning the examination of cells from fluids, aspirates,
24 washings, brushings, or smears, including the Pap test examination
25 performed by a physician or under the supervision of a physician;
26 (3) Hematology meaning the microscopic evaluation of bone marrow
27 aspirates and biopsies performed by a physician or under the
28 supervision of a physician, and peripheral blood smears when the
29 attending or treating physician or technologist requests that a blood
30 smear be reviewed by a pathologist;
31 (4) Subcellular pathology and molecular pathology; and
32 (5) Blood-banking services performed by pathologists.

33 (f) Nothing in this section shall be construed to require the disclosure of the
34 terms or conditions of a contract for the provision of anatomic pathology services
35 between a managed care organization and a hospital or between a managed care
36 organization and a physician's practice.

37 (g) The requirements of subsections (a) and (b) of this section shall not apply to a
38 referring laboratory providing anatomic pathology services for services performed by
39 that laboratory in instances where one or more samples must be sent for a second
40 medical opinion on a specimen.

41 (h) Nothing in this section shall be construed as a prohibition on a physician
42 requesting the anatomic pathology services of more than one clinical laboratory for a
43 second medical opinion on a specimen.

1 (i) Each intentional failure to disclose in violation of subsections (a), (b), or (c)
2 of this section is a separate Class 3 misdemeanor offense punishable by a fine of two
3 hundred fifty dollars (\$250.00).

4 (j) The respective State licensing boards having jurisdiction over practitioners
5 subject to this section may revoke, suspend, or deny renewal of the license of a
6 practitioner that violates this section. Each State licensing board having jurisdiction may
7 take disciplinary action on a finding by the board of intentional violation or an ongoing
8 pattern of violations in the absence of a misdemeanor conviction.

9 (k) Not later than six months from the effective date of this section, the
10 respective State licensing boards having jurisdiction, and the Division of Facility
11 Services, shall communicate the requirements of this section to all licensed practitioners
12 and licensed facilities subject to this section."

13 **SECTION 2.** The State licensing boards subject to G.S. 90-681, as enacted
14 by this act, and the Division of Facility Services of the Department of Health and
15 Human Services shall report to the 2006 Regular Session of the 2005 General Assembly
16 upon its convening. The report shall indicate efforts made to apprise licensed
17 practitioners and to evaluate licensed practitioners and licensed health care facilities of
18 the requirements of G.S. 90-681, as enacted by this act.

19 **SECTION 3.** This act becomes effective December 1, 2005.