

American Medical Association

Physicians dedicated to the health of America

SENATE PUBLIC HEALTH, WELFARE & SAFETY	
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[Click here to return to the previous page.](#)

E-8.09 Laboratory Services

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(1) A physician should not misrepresent or aid in the misrepresentation of laboratory services performed and supervised by a non-physician as the physician's professional services. Such situations could involve a laboratory owned by a physician who directs and manages its financial and business affairs with no professional medical services being provided; laboratory work being performed by technicians and directly supervised by a medical technologist with no participation by the physician; or the physician's name being used in connection with the laboratory so as to create the appearance that it is owned, operated, and supervised by a physician when this is not so.

(2) If a laboratory is owned, operated, and supervised by a non-physician in accordance with state law and performs tests exclusively for physicians who receive the results and make their own medical interpretations, the following considerations would apply:

The physician's ethical responsibility is to provide patients with high quality services. This includes services that the physician performs personally and those that are delegated to others. A physician should not utilize the services of any laboratory, irrespective of whether it is operated by a physician or non-physician, unless she or he has the utmost confidence in the quality of its services. A physician must always assume personal responsibility for the best interests of his or her patients. Medical judgment based upon inferior laboratory work is likewise inferior. Medical considerations, not cost, must be paramount when the physician chooses a laboratory. The physician who disregards quality as the primary criterion or who chooses a laboratory solely because it provides low cost laboratory services on which the patient is charged a profit, is not acting in the best interests of the patient. However, if reliable, quality laboratory services are available at lower cost, the patient should have the benefit of the savings. As a professional, the physician is entitled to fair compensation for his or her services. A physician should not charge a markup, commission, or profit on the services rendered by others. A markup is an excessive charge that exploits patients if it is nothing more than a tacked on amount for a service already provided and accounted for by the laboratory. A physician may make an acquisition charge or processing charge. The patient should be notified of any such charge in advance. (I, II, III, IV, V) Issued prior to April 1977; Updated June 1994.

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E-6.10 Services Provided by Multiple Physicians

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Each physician engaged in the care of the patient is entitled to compensation commensurate with the value of the service he or she has personally rendered.

No physician should bill or be paid for a service which is not performed; mere referral does not constitute a professional service for which a professional charge should be made or for which a fee may be ethically paid or received.

When services are provided by more than one physician, each physician should submit his or her own bill to the patient and be compensated separately, if possible. A physician should not charge a markup, commission, or profit on the services rendered by others.

It is ethically permissible in certain circumstances, however, for a surgeon to engage other physicians to assist in the performance of a surgical procedure and to pay a reasonable amount for such assistance, provided the nature of the financial arrangement is made known to the patient. This principle applies whether or not the assisting physician is the referring physician. (II) Issued prior to April 1977; Updated June 1994.

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[Click here to return to the previous page.](#)

E-6.09 Laboratory Bill

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When it is not possible for the laboratory bill to be sent directly to the patient, the referring physician's bill to the patient should indicate the actual charges for laboratory services, including the name of the laboratory, as well as any separate charges for the physician's own professional services. (II) Issued prior to April 1977.

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[Click here to return to the previous page.](#)

E-6.03 Fee Splitting Referrals to Health Care Facilities

E-6.03 Fee Splitting: Referrals to Health Care Facilities.

Clinics, laboratories, hospitals, or other health care facilities that compensate physicians for referral of patients are engaged in fee splitting which is unethical.

Health care facilities should not compensate a physician who refers patients there for the physician's cognitive services in prescribing, monitoring, or revising the patient's course of treatment. Payment for these cognitive services is acceptable when it comes from patients, who are the beneficiaries of the physician's services, or from the patient's designated third-party payer.

Offering or accepting payment for referring patients to research studies (finder's fees) is also unethical. (II) Issued prior to April 1977; Updated June 1994 and updated June 1996 based on the report "Finder's Fees: Payment for the Referral of Patients to Clinical Research Studies," adopted December 1994.

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[Click here to return to the previous page.](#)

E-6.02 Fee Splitting

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Payment by or to a physician solely for the referral of a patient is fee splitting and is unethical.

A physician may not accept payment of any kind, in any form, from any source, such as a pharmaceutical company or pharmacist, an optical company or the manufacturer of medical appliances and devices, for prescribing or referring a patient to said source.

In each case, the payment violates the requirement to deal honestly with patients and colleagues. The patient relies upon the advice of the physician on matters of referral. All referrals and prescriptions must be based on the skill and quality of the physician to whom the patient has been referred or the quality and efficacy of the drug or product prescribed. (II) Issued prior to April 1977; Updated June 1994.

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