

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6721**

**BILL NUMBER:** HB 1306

**NOTE PREPARED:** Feb 1, 2005

**BILL AMENDED:** Jan 25, 2005

**SUBJECT:** Physician Referrals.

**FIRST AUTHOR:** Rep. Becker

**FIRST SPONSOR:**

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires a physician to provide certain information to an individual before referring the individual to a health care entity in which the physician has a financial interest. The bill provides an exception for emergency circumstances.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** Any fiscal impact of this provision would be dependent upon the number of complaints of noncompliance that would potentially be filed against practitioners.

Current statute provides for an investigation to be conducted by the Medical Licensing Section of the Office of the Attorney General. If there is sufficient evidence of noncompliance, charges would be filed before the Medical Licensing Board and a hearing would be held. The cost of this process to the state would be related to the expense associated with the investigation and the expense of any subsequent disciplinary proceeding that might follow.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Attorney General; Health Professions Bureau, Medical Licensing

Board.

**Local Agencies Affected:**

**Information Sources:** Barbara McNutt, Chief Counsel, Health Professions Bureau, (317) 234-1987; Jennifer Thuma, Legislative Counsel, Attorney General's Office, (317) 233-6143.

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