

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

**SESSION LAW 2005-415
HOUSE BILL 636**

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) The amounts charged by the laboratory for the professional anatomic pathology services;
- (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.

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

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

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

- (e) As used in this section, the term "anatomic pathology services" means:
- (1) Histopathology or surgical pathology meaning the gross and microscopic examination and histologic processing of organ tissue performed by a physician or under the supervision of a physician;
 - (2) Cytopathology meaning the examination of cells from fluids, aspirates, washings, brushings, or smears, including the Pap test examination performed by a physician or under the supervision of a physician;
 - (3) Hematology meaning the microscopic evaluation of bone marrow aspirates and biopsies performed by a physician or under the supervision of a physician, and peripheral blood smears when the attending or treating physician or technologist requests that a blood smear be reviewed by a pathologist;
 - (4) Subcellular pathology and molecular pathology; and
 - (5) Blood-banking services performed by pathologists.
- (f) Nothing in this section shall be construed to require the disclosure of the terms or conditions of a contract for the provision of anatomic pathology services between a managed care organization and a hospital or between a managed care organization and a physician's practice.
- (g) The requirements of subsections (a) and (b) of this section shall not apply to a referring laboratory providing anatomic pathology services for services performed by that laboratory in instances where one or more samples must be sent for a second medical opinion on a specimen.
- (h) Nothing in this section shall be construed as a prohibition on a physician requesting the anatomic pathology services of more than one clinical laboratory for a second medical opinion on a specimen.
- (i) Each intentional failure to disclose in violation of subsections (a), (b), or (c) of this section is a separate Class 3 misdemeanor offense punishable by a fine of two hundred fifty dollars (\$250.00).
- (j) The respective State licensing boards having jurisdiction over practitioners subject to this section may revoke, suspend, or deny renewal of the license of a practitioner who violates this section. Each State licensing board having jurisdiction may take disciplinary action on a finding by the board of intentional violation or an ongoing pattern of violations in the absence of a misdemeanor conviction.
- (k) Not later than six months from the effective date of this section, the respective State licensing boards having jurisdiction, and the Division of Facility Services, shall communicate the requirements of this section to all licensed practitioners and licensed facilities subject to this section."

SECTION 1.1. If Senate Bill 1059, 2005 Regular Session becomes law, then Article 40 of Chapter 90 of the General Statutes and G.S. 90-681 both as enacted by this act are recodified as Article 41 of Chapter 90 of the General Statutes and G.S. 90-701 respectively.

SECTION 2. G.S. 90-18(a) reads as rewritten:

"(a) No person shall practice medicine or surgery, or any of the branches thereof, nor in any case prescribe for the cure of diseases unless the person shall have been first licensed and registered so to do in the manner provided in this Article, and if any person shall practice medicine or surgery without being duly licensed and registered, as provided in this Article, the person shall not be allowed to maintain any action to collect any fee for such services. The person so practicing without license shall be guilty of a Class 1 ~~misdemeanor~~ misdemeanor, except that if the person so practicing without a license is an out-of-state practitioner who has not been licensed and registered to practice medicine or surgery in this State, the person shall be guilty of a Class I felony."

SECTION 3. The State licensing boards subject to G.S. 90-681, as enacted by this act, and the Division of Facility Services of the Department of Health and Human Services shall report to the 2006 Regular Session of the 2005 General Assembly upon its convening. The report shall indicate efforts made to apprise licensed

practitioners and to evaluate licensed practitioners' and licensed health care facilities' compliance with the requirements of G.S. 90-681, as enacted by this act.

SECTION 4. This act becomes effective December 1, 2005.

In the General Assembly read three times and ratified this the 23rd day of August, 2005.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 1:09 p.m. this 22nd day of September, 2005