

# SB3315



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB3315

Introduced 2/10/2010, by Sen. Susan Garrett

#### SYNOPSIS AS INTRODUCED:

225 ILCS 60/22.2

Amends the Medical Practice Act of 1987. In a provision prohibiting fee splitting, exempts from the provision an entity that is an Illinois not for profit corporation that is recognized as exempt from the payment of federal income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code and all of its members are full-time faculty members of a medical school that offers a M.D. degree program that is accredited by the Liaison Committee on Medical Education and a program of graduate medical education that is accredited by the Accreditation Council for Graduate Medical Education. Effective immediately.

LRB096 19938 ASK 35414 b

A BILL FOR

1 AN ACT concerning professional regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Medical Practice Act of 1987 is amended by  
5 changing Section 22.2 as follows:

6 (225 ILCS 60/22.2)

7 (Section scheduled to be repealed on December 31, 2010)

8 Sec. 22.2. Prohibition against fee splitting.

9 (a) A licensee under this Act may not directly or  
10 indirectly divide, share or split any professional fee or other  
11 form of compensation for professional services with anyone in  
12 exchange for a referral or otherwise, other than as provided in  
13 this Section 22.2.

14 (b) Nothing contained in this Section abrogates the right  
15 of 2 or more licensed health care workers as defined in the  
16 Health Care Worker Self-referral Act to each receive adequate  
17 compensation for concurrently rendering services to a patient  
18 and to divide the fee for such service, provided that the  
19 patient has full knowledge of the division and the division is  
20 made in proportion to the actual services personally performed  
21 and responsibility assumed by each licensee consistent with his  
22 or her license, except as prohibited by law.

23 (c) Nothing contained in this Section prohibits a licensee

1 under this Act from practicing medicine through or within any  
2 form of legal entity authorized to conduct business in this  
3 State or from pooling, sharing, dividing, or apportioning the  
4 professional fees and other revenues in accordance with the  
5 agreements and policies of the entity provided:

6 (1) each owner of the entity is licensed under this  
7 Act;

8 (2) the entity is organized under the Medical  
9 Corporation Act, the Professional Services Corporation  
10 Act, the Professional Association Act, or the Limited  
11 Liability Company Act;

12 (3) the entity is allowed by Illinois law to provide  
13 physician services or employ physicians such as a licensed  
14 hospital or hospital affiliate or licensed ambulatory  
15 surgical treatment center owned in full or in part by  
16 Illinois-licensed physicians; ~~or~~

17 (4) the entity is a combination or joint venture of the  
18 entities authorized under this subsection (c); ~~or~~.

19 (5) the entity is an Illinois not for profit  
20 corporation that is recognized as exempt from the payment  
21 of federal income taxes as an organization described in  
22 Section 501(c)(3) of the Internal Revenue Code and all of  
23 its members are full-time faculty members of a medical  
24 school that offers a M.D. degree program that is accredited  
25 by the Liaison Committee on Medical Education and a program  
26 of graduate medical education that is accredited by the

1           Accreditation Council for Graduate Medical Education.

2           (d) Nothing contained in this Section prohibits a licensee  
3 under this Act from paying a fair market value fee to any  
4 person or entity whose purpose is to perform billing,  
5 administrative preparation, or collection services based upon  
6 a percentage of professional service fees billed or collected,  
7 a flat fee, or any other arrangement that directly or  
8 indirectly divides professional fees, for the administrative  
9 preparation of the licensee's claims or the collection of the  
10 licensee's charges for professional services, provided that:

11           (i) the licensee or the licensee's practice under  
12 subsection (c) of this Section at all times controls the  
13 amount of fees charged and collected; and

14           (ii) all charges collected are paid directly to the  
15 licensee or the licensee's practice or are deposited  
16 directly into an account in the name of and under the sole  
17 control of the licensee or the licensee's practice or  
18 deposited into a "Trust Account" by a licensed collection  
19 agency in accordance with the requirements of Section 8(c)  
20 of the Illinois Collection Agency Act.

21           (e) Nothing contained in this Section prohibits the  
22 granting of a security interest in the accounts receivable or  
23 fees of a licensee under this Act or the licensee's practice  
24 for bona fide advances made to the licensee or licensee's  
25 practice provided the licensee retains control and  
26 responsibility for the collection of the accounts receivable

1 and fees.

2 (f) Excluding payments that may be made to the owners of or  
3 licensees in the licensee's practice under subsection (c), a  
4 licensee under this Act may not divide, share or split a  
5 professional service fee with, or otherwise directly or  
6 indirectly pay a percentage of the licensee's professional  
7 service fees, revenues or profits to anyone for: (i) the  
8 marketing or management of the licensee's practice, (ii)  
9 including the licensee or the licensee's practice on any  
10 preferred provider list, (iii) allowing the licensee to  
11 participate in any network of health care providers, (iv)  
12 negotiating fees, charges or terms of service or payment on  
13 behalf of the licensee, or (v) including the licensee in a  
14 program whereby patients or beneficiaries are provided an  
15 incentive to use the services of the licensee.

16 (Source: P.A. 96-608, eff. 8-24-09.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.