

AMENDED IN SENATE MAY 5, 2003
AMENDED IN SENATE APRIL 21, 2003

SENATE BILL

No. 1071

Introduced by Senator Vincent

March 11, 2003

An act to add Section 2403 to the Business and Professions Code, relating to medicine.

LEGISLATIVE COUNSEL'S DIGEST

SB 1071, as amended, Vincent. ~~Medical practice exemption.~~

Existing law, the Moscone-Knox Professional Corporation Act, provides for the formation of a corporation under the General Corporation Law for the purposes of qualifying as a professional corporation that is engaged in rendering professional services in a single profession, and permits a professional corporation to render professional services through persons who are licensed in the profession. ~~Existing law makes a person who practices or attempts to practice, or who advertises or holds himself or herself out as practicing, any system or mode of treating the sick or afflicted in this state, or who diagnoses, treats, operates for, or prescribes for a person without being certified or otherwise authorized to do so, guilty of a crime.~~

~~This bill would exempt from the above requirements and prohibitions a person that provides patient scheduling services, as defined, for diagnostic tests, as long as the person does not make or interfere with any medical judgment or the independent review and interpretation of the test results. *The Medical Practice Act restricts the employment of licensed physicians and surgeons and podiatrists by a*~~

corporation or other artificial legal entity, subject to specified exemptions.

This bill would specify that provisions of the Medical Practice Act relating to corporations and the Moscone-Knox Professional Corporation Act apply to corporations and other artificial legal entities that provide any medical judgement or independent review and interpretation of diagnostic test results.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2403 is added to the Business and
2 Professions Code, to read:

3 2403. ~~The provisions of Sections 2052 and 2400 this article,~~
4 ~~and the Moscone-Knox Professional Corporation Act (Part 4~~
5 ~~(commencing with Section 13400) of Division 3 of Title 1 of the~~
6 ~~Corporations Code) do not apply to a person that provides patient~~
7 ~~scheduling services for diagnostic tests, including ancillary,~~
8 ~~logistical, and support services related to patient scheduling~~
9 ~~services, as long as the person does not make or interfere with any~~
10 ~~medical judgement or the independent review and interpretation~~
11 ~~of the Corporations Code) shall apply to corporations and other~~
12 ~~artificial legal entities that provide any medical judgment or~~
13 ~~independent review and interpretation of diagnostic test results.~~

14 ~~(b) Medical judgement does not mean either of the following:~~

15 ~~(1) Selecting a provider licensed to provide diagnostic services~~
16 ~~in California, unless the physician who requests the scheduling~~
17 ~~service requires a specific provider.~~

18 ~~(2) Selecting equipment, unless the physician who requests the~~
19 ~~scheduling services requires specific equipment.~~

20 ~~(c) "Patient scheduling services" means arranging for~~
21 ~~diagnostic tests from a network of diagnostic providers~~
22 ~~contracting with the person providing the services, and includes~~
23 ~~the following diagnostic tests:~~

24 ~~(1) X-rays.~~

25 ~~(2) Magnetic resonance imaging.~~

26 ~~(3) Computerized axial tomography.~~

27 ~~(4) Electromyography.~~

28 ~~(5) Ultrasounds.~~



- 1 ~~(6) Nerve conduction studies.~~
- 2 ~~(7) General diagnostic imaging services.~~
- 3 ~~(d) “Ancillary, logistical, and support services” means all of~~
- 4 ~~the following, as long as the person providing the services does not~~
- 5 ~~make or interfere with any medical judgments:~~
- 6 ~~(1) Billing services.~~
- 7 ~~(2) Collection services.~~
- 8 ~~(3) Medical record processing.~~
- 9 ~~(4) Provider license verification.~~
- 10 ~~(5) Minimum standards maintenance.~~
- 11 ~~(6) Facilitation of independent physician review of results.~~
- 12 ~~(7) Facilitation of pain management referrals.~~

