

By Ms. Kerans of Danvers, petition of Sally P. Kerans, Patricia D. Jehlen, Christine E. Canavan, Cheryl A. Jacques, Marsha R. Platt and John A. Stefanini for legislation to require disclosure by physicians of any financial interest in medical laboratories or diagnostic machinery. Health Care.

### The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Four.

#### AN ACT REQUIRING DISCLOSURE BY PHYSICIANS OF ANY FINANCIAL INTEREST IN MEDICAL LABORATORIES OR DIAGNOSTIC MACHINERY.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Section 12AA of Chapter 112 as appearing in the 1990 Official  
2 Edition of the Massachusetts General Laws is hereby amended  
3 by adding the following new section: —

4 Section 12AA½. Any medical doctor, or member of his or her  
5 immediate family, who has a financial ownership interest in a  
6 medical laboratory or clinic, including laboratories that draw and  
7 analyze blood, ultrasound laboratories, mammography clinics,  
8 physical therapy clinics, orthopedic and sports medicine clinics,  
9 radiology laboratories that perform X-rays and/or other  
10 diagnostic tests, including but not limited to CT scans, Magnetic  
11 Resonance Imaging tests, positron emission tomography, and  
12 laboratories that perform electroencephalograms, electrocardio-  
13 grams and electric shock therapy, shall be required to verbally  
14 inform patients whom they are referring for treatment or testing  
15 to said clinics or laboratories of his or her financial interest or  
16 investment in said facility or diagnostic machinery.

17 For the purposes of this section, "ownership interest" shall  
18 mean any and all ownership interest including, but not limited  
19 to, any membership, proprietary interest, stock interest,  
20 partnership interest, co-ownership in any form or any profit  
21 sharing arrangement.

22 Medical doctors with said financial ownership interest shall also  
23 prominently post in their medical offices, examination rooms and  
24 waiting rooms notice of their financial interest or investment in  
25 any clinic or laboratory to which they refer patients.

26 It shall also be required that medical doctors file an annual  
27 report with the Secretary of State detailing investments or  
28 financial ownership interest in any medical clinics, laboratories  
29 or diagnostic machinery.

30 When making referrals for patients to clinics or laboratories in  
31 which they or an immediate family member has a financial  
32 ownership interest, medical doctors shall be required to provide  
33 to said patient a list of at least two other facilities in the area in  
34 which the physician, or his or her immediate family members, does  
35 not have a financial ownership interest in order for the patient  
36 to make an informed decision about said referral.