



State of Tennessee

PUBLIC CHAPTER NO. 855

HOUSE BILL NO. 2068

By Representatives Love, Curcio, Camper, Mark White, Hazlewood, Parkinson

Substituted for: Senate Bill No. 2005

By Senators Tate, Watson, Harper

AN ACT to amend Tennessee Code Annotated, Title 4; Title 33; Title 39; Title 63 and Title 68, relative to treatment for alcohol and drug abuse.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 33, Chapter 2, Part 4, is amended by adding the following as a new section:

(a) The general assembly recognizes that consumers of substance abuse treatment have disabling conditions and that consumers and their families are vulnerable and at risk of being easily victimized by fraudulent marketing practices that adversely impact the delivery of health care. To protect the health, safety, and welfare of this vulnerable population, a service provider of alcohol and drug services or an operator of an alcohol and drug treatment facility (ADTF) shall not engage in any of the following marketing practices:

(1) Making a materially false or misleading statement or providing materially false or misleading information about the provider's or operator's identity, products, goods, services, or geographical locations in its marketing, advertising materials, or media or on its website;

(2) Including on its website false information or electronic links, coding, or activation that provides false information or that surreptitiously directs the reader to another website;

(3) Soliciting, receiving, or making an attempt to solicit or receive a commission, benefit, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engaging or making an attempt to engage in a split-fee arrangement in return for a referral or an acceptance or acknowledgement of treatment from a service provider of alcohol and drug services or ADTF; or

(4) Entering into a contract with a marketing provider who agrees to generate referrals or leads for the placement of patients with a service provider of alcohol and drug services or in an ADTF through a call center or a web-based presence. This subdivision (a)(4) shall not apply if the service provider of alcohol and drug services or the operator of the ADTF discloses to the prospective patient, so that the patient can make an informed healthcare decision, in clear and concise language and instructions that allow the prospective patient to easily determine whether the marketing provider represents specific service providers or recovery residences that pay a fee to the marketing provider, and the identity of such service providers of alcohol and drug services or ADTF.

(b) In addition to any other punishment authorized by law, a person or entity that knowingly violates this section is subject to suspension or revocation of the person's or entity's license pursuant to § 33-2-407 and the imposition of civil penalties under § 33-2-409.

SECTION 2. Tennessee Code Annotated, Title 63, Chapter 1, Part 1, is amended by adding the following as a new section:

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(a) A healthcare provider licensed under title 63, with respect to alcohol and drug services, as defined in § 33-2-402, shall not knowingly:

(1) Offer or pay a commission, benefit, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, to induce the referral of a patient or patronage to or from a licensee or facility licensed under title 33, chapter 2, part 4;

(2) Solicit or receive a commission, benefit, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, in return for referring a patient or patronage to or from a licensee or facility licensed under title 33, chapter 2, part 4;

(3) Solicit or receive a commission, benefit, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, in return for the acceptance or acknowledgment of treatment from a licensee or facility licensed under title 33, chapter 2, part 4; or

(4) Aid, abet, advise, or otherwise participate in the conduct prohibited under subdivision (a)(1), (a)(2), or (a)(3).

(b) Any healthcare provider licensed under title 63, with respect to alcohol and drug services, that violates this section is subject to suspension or revocation of the healthcare provider's license by the appropriate healthcare licensing board and the imposition of civil penalties as authorized under this title.

SECTION 3. Tennessee Code Annotated, Title 68, Chapter 1, Part 1, is amended by adding the following as a new section:

(a) A healthcare facility or provider licensed under title 68, with respect to alcohol and drug services, as defined in § 33-2-402, shall not knowingly:

(1) Offer or pay a commission, benefit, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, to induce the referral of a patient or patronage to or from a licensee or facility licensed under title 33, chapter 2, part 4;

(2) Solicit or receive a commission, benefit, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, in return for referring a patient or patronage to or from a licensee or facility licensed under title 33, chapter 2, part 4;

(3) Solicit or receive a commission, benefit, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, in return for the acceptance or acknowledgment of treatment from a licensee or facility licensed under title 33, chapter 2, part 4; or

(4) Aid, abet, advise, or otherwise participate in the conduct prohibited under subdivision (a)(1), (a)(2), or (a)(3).

(b) Any healthcare facility or provider licensed under title 68, with respect to alcohol and drug services, that violates this section is subject to suspension or revocation of the healthcare facility's or provider's license by the appropriate licensing board and the imposition of civil penalties as authorized under this title.

SECTION 4. This act shall take effect July 1, 2018, the public welfare requiring it.

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PASSED: April 23, 2018



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 3rd day of May 2018



BILL HASLAM, GOVERNOR