



STATE OF TEXAS
HOUSE OF REPRESENTATIVES

BRANDON CREIGHTON

July 18, 2013

The Honorable Greg Abbott
Attorney General of Texas
Office of the Attorney General
P.O. Box 12548
Austin, Texas 78711-2548

Dear General Abbott:

As State Representative of House District 16, I respectfully request a formal opinion concerning whether an established medical group practice operating and billing for its services under a single tax-id number is free to offer all of its services, both professional and technical in nature, to its patients, whether directly or through third party payers, in return for compensation which is based on an amount calculated by multiplying a set fee per patient by the number of patients covered by such an agreement and assume the risk of having to provide an unlimited amount of such services each month.

In the past, it has been deemed that physicians were free to take the risk of providing unlimited professional services for a set amount per month without being deemed to be in the business of insurance, but if a group of physicians wanted to take the same risk for technical services (imaging, radiation therapy, etc.) they would be deemed to be in the business of insurance and subject to regulation by the Texas Department of Insurance. Simply put, I would like to know whether a medical group practice providing both technical and professional services under single a tax identification number would be allowed to provide all such services in-house on a per member per month basis without being deemed to be engaging in the business of insurance.

Thank you for your careful consideration and assessment of these important issues. We look forward to your response. If you have any questions, please feel free to contact me or my office for further information.

Sincerely,

Brandon Creighton

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OPINION COMMITTEE

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MONTGOMERY (PART) - DISTRICT 16

POST OFFICE BOX 2910 AUSTIN, TEXAS 78768-2910 (512)463-0726 FAX (512) 463-8428

326½ MAIN STREET, SUITE 110 CONROE, TEXAS 77301 (936) 539-0028 FAX (936) 539-0068 BRANDON.CREIGHTON@HOUSE.STATE.TX.US