§ 587. Prohibited practices. 1. No health services purveyor shall solicit, receive, accept or agree to receive or accept any payment or other consideration in any form to the extent such payment or other consideration is given for the referral of services or participate in the division, transference, assignment, rebate, splitting of fees, with any clinical laboratory or its agent, employee or fiduciary, or with another health services purveyor in relation to clinical laboratory services. Specifically prohibited practices shall include, without limiting thereto, the following:

(a) Acceptance of payments for rental of space for more than the fair market value or where the rental amount is affected by test ordering volume or value.

(b) Acceptance of rental payments for storage space for any supplies provided by any clinical laboratory or its agent, employee or fiduciary.

(c) Acceptance of payments for filling in proper information on laboratory request forms for tests.

(d) Receipt or acceptance of employees, agents or other fiduciaries of any clinical laboratory to perform any duties in the facility of any health services purveyor provided, however, that nothing in this subdivision shall prohibit a hospital as defined in article twenty-eight of this chapter or a health maintenance organization operating in accordance with article forty-three of the insurance law or article forty-four of this chapter and a clinical laboratory from contracting for laboratory management services including the provision of technical services and employees for the performance of functions directly related to clinical laboratory operations.

(e) Receipt or acceptance of equipment, supplies or services provided by any clinical laboratory or its agent, employee or fiduciary for less than fair market value or when the purchase price or rental payment is in any way related to the reference of patients or specimens to any clinical laboratory.

(f) Receipt or acceptance of any monies or other consideration from any clinical laboratory or its agent, employee or fiduciary as a bonus, commission or fee in the form of a fixed or percentage return for the number or dollar value of laboratory tests performed or to be performed by any clinical laboratory to which patients or specimens are referred or for the number of patients or specimens referred.

(g) The purchase of prepayment coupons, tickets, booklets or any variation of such prepayment instruments as advance payments by purveyors of health services for clinical laboratory services to be rendered by any clinical laboratory.

(h) To accept payment of money or other consideration from anyone for any clinical laboratory tests rendered or to be rendered on any specimen for transference of the money or other consideration in whole or in part to any clinical laboratory or to actually be kept by the health services purveyor.

(i) To accept or use directly any instrument or any clinical laboratory form marked "Invoice", "Receipt", "Payment Received" or any other variation for issuance to patients as if the patient had been billed and paid the clinical laboratory.

(j) Receipt or acceptance of any monies or other consideration from any clinical laboratory or its agent, employee or fiduciary for influencing any person to refrain from using or utilizing any other clinical laboratory.

2. No clinical laboratory or its agent, employee or fiduciary shall make, offer, give, or agree to make, offer, or give any payment or other consideration in any form to the extent such payment or other consideration is given for the referral of services or participate in the division, transference, assignment, rebate, splitting of fees, with any health services purveyor, or with another clinical laboratory. Specifically prohibited practices shall include, without limiting thereto, the following:

(a) To offer or agree to give or give any payments for rental of space for more than the fair market value or where the rental amount is affected by test ordering volume or value.

(b) To offer or agree to give or give rental payments for storage space for any supplies provided to any health services purveyor.

(c) To offer or agree to give or give any payments for filling in proper information on laboratory request forms for tests.

(d) To supply employees, agents or other fiduciaries of any clinical laboratory to perform any duties in the facility of any health services purveyor provided, however, that nothing in this subdivision shall prohibit a hospital as defined in article twenty-eight of this chapter

or a health maintenance organization operating in accordance with article forty-three of the insurance law or article forty-four of this chapter and a clinical laboratory from contracting for laboratory management services, including the provision of technical services and employees for the performance of functions directly related to clinical laboratory operations.

(e) To offer or agree to give or give any equipment, supplies or services to any health services purveyor for less than fair market value or when the purchase price or rental payment is in any way related to the reference of patients or specimens to any clinical laboratory.

(f) To offer or agree to give or give any monies or other consideration to any health services purveyor as a bonus, commission or fee in the form of a fixed or percentage return for the number or dollar value of laboratory tests performed or to be performed by any clinical laboratory to which patients or specimens are referred or for the number of patients or specimens referred.

(g) To sell any prepayment coupons, tickets, booklets or any variation of such prepayment instrument as advance payments by purveyors of health services for clinical laboratory services.

(h) To send a bill to or receive payment from any health services purveyor for clinical laboratory services rendered to any patient, where such bill is sent in code on blank paper, without name and address of the clinical laboratory, without name or address of the addressee, or without name or other identifying information of the person who was the recipient of the laboratory service or in any other falsified manner.

(i) To utilize any health services purveyor or anyone else not authorized by law to collect money or other consideration from anyone for any clinical laboratory tests rendered or to be rendered on any specimen for transference of the money or other consideration in whole or in part to the clinical laboratory or to be actually kept by the health services purveyor.

(j) To supply to any health services purveyor any printed form of a clinical laboratory marked "Invoice", "Receipt", "Payment Received", or any other variation for use by any health services purveyor issuing same to patients as if the patient had paid the clinical laboratory.

(k) To offer or agree to give or give any monies or other consideration for influencing any person to refrain from using or

utilizing any other clinical laboratory.

3. This section shall not apply to any: (a) legally established hospital group purchasing program approved by the commissioner, or (b) any arrangement between a clinical laboratory and health maintenance organization operating in accordance with article forty-three of the insurance law or article forty-four of this chapter approved by the commissioner.

4. Any transaction excluded from the prohibition of section five hundred eighty-six of this title relating to payment for services rendered by clinical laboratories shall be deemed to be similarly excluded from the application of this section.

5. No clinical laboratory or its agent, employee or fiduciary shall make, offer, give or agree to make, offer or give to any person, partnership, corporation or other entity any payment or other consideration in any form as a bonus, commission or fee for securing referrals of services to the clinical laboratory except for payments made to a person who is an employee of the clinical laboratory.

6. The public health council shall adopt and amend rules and regulations, subject to approval by the commissioner, to effectuate the provisions and purposes of this section.