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| 1 | RURAL HEALTH CARE AMENDMENTS |
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| 2 | 2000 GENERAL SESSION |
| 3 | STATE OF UTAH |
| 4 | Sponsor: Ben C. Ferry |
| 5 | AN ACT RELATING TO INSURANCE; AMENDING THE NUMBER OF LICENSED BEDS |
| 6 | AN INDEPENDENT HOSPITAL MAY HAVE. |
| 7 | This act affects sections of Utah Code Annotated 1953 as follows: |
| 8 | AMENDS: |
| 9 | 31A-8-501, as enacted by Chapter 44, Laws of Utah 1997 |
| 10 | Be it enacted by the Legislature of the state of Utah: |
| 11 | Section 1. Section 31A-8-501 is amended to read: |
| 12 | 31A-8-501. Access to health care providers. |
| 13 | (1) As used in this section: |
| 14 | (a) "Class of health care provider" means a health care provider or a health care facility |
| 15 | regulated by the state within the same professional, trade, occupational, or certification category |
| 16 | established under Title 58, Occupations and Professions, or within the same facility licensure |
| 17 | category established under Title 26, Chapter 21, Health Care [Facilities] Facility Licensing and |
| 18 | Inspection [and Licensure] Act. |
| 19 | (b) "Covered health care services" or "covered services" means health care services for |
| 20 | which an enrollee is entitled to receive under the terms of a health maintenance organization |
| 21 | contract. |
| 22 | (c) "Credentialed staff member" means a health care provider with active staff privileges |
| 23 | at an independent hospital or federally qualified health center. |
| 24 | (d) "Federally qualified health center" means as defined in the Social Security Act, 42 |
| 25 | U.S.C. Sec. 1395(x). |
| 26 | (e) "Independent hospital" means a general acute hospital that: |
| 27 | (i) is licensed pursuant to Title 26, Chapter 21, Health Care [Facilities] Facility Licensing |

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28 and Inspection [and Licensure] Act; and 29 (ii) is controlled by a board of directors of which 51% or more reside in the county where 30 the hospital is located and: 31 (A) the board of directors is ultimately responsible for the policy and financial decisions 32 of the hospital; or 33 (B) the hospital is licensed for [45] 70 or fewer beds and is not owned, in whole or in part, 34 by an entity that owns or controls a health maintenance organization if the hospital is a contracting 35 facility of the organization. 36 (f) "Noncontracting provider" means an independent hospital, federally qualified health 37 center, or credentialed staff member who has not contracted with a health maintenance 38 organization to provide health care services to enrollees of the organization. 39 (2) A health maintenance organization shall pay for covered health care services rendered 40 to an enrollee by an independent hospital, a credentialed staff member at an independent hospital, 41 or a credentialed staff member at his local practice location if: 42 (a) the enrollee lives or resides within 30 paved road miles of the independent hospital; 43 (b) the independent hospital is located in a county with a population density of less than 44 100 people per square mile; and 45 (c) the enrollee has complied with the prior authorization and utilization review 46 requirements otherwise required by the health maintenance organization contract. 47 (3) A health maintenance organization shall pay for covered health care services rendered to an enrollee at a federally qualified health center if: 48 49 (a) the enrollee lives or resides within 30 paved road miles of a federally qualified health 50 center; 51 (b) the federally qualified health center is located in a county with a population density of 52 less than 100 people per square mile; and 53 (c) the enrollee has complied with the prior authorization and utilization review 54 requirements otherwise required by the health maintenance organization contract. 55 (4) (a) A health maintenance organization shall reimburse a noncontracting provider or the 56 enrollee for covered services rendered pursuant to Subsection (2) a like dollar amount as it pays 57 to contracting providers under a noncapitated arrangement for comparable services. 58 (b) A health maintenance organization shall reimburse a federally qualified health center

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| 59 | or the enrollee for covered services rendered pursuant to Subsection (3) a like amount as paid by |
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| 60 | the health maintenance organization under a noncapitated arrangement for comparable services |
| 61 | to a contracting provider in the same class of health care providers as the provider who rendered |
| 62 | the service. |
| 63 | (5) A noncontracting provider may only refer an enrollee to another noncontracting |
| 64 | provider so as to obligate the enrollee's health maintenance organization to pay for the resulting |
| 65 | services if: |
| 66 | (a) the noncontracting provider making the referral or the enrollee has received prior |
| 67 | authorization from the organization for the referral; or |
| 68 | (b) the practice location of the noncontracting provider to whom the referral is made: |
| 69 | (i) is located in a county with a population density of less than 100 people per square mile; |
| 70 | and |
| 71 | (ii) is within 30 paved road miles of: |
| 72 | (A) the place where the enrollee lives or resides; or |
| 73 | (B) the independent hospital or federally qualified health center at which the enrollee may |
| 74 | receive covered services pursuant to Subsection (2) or (3). |
| 75 | (6) Notwithstanding this section, a health maintenance organization may contract directly |
| 76 | with an independent hospital, federally qualified health center, or credentialed staff member. |

Legislative Review Note as of 12-13-99 3:32 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel