

1 **RURAL HEALTH CARE PROVIDER**

2 **AMENDMENT**

3 2000 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Glenn L. Way**

6 AN ACT RELATING TO INSURANCE; AMENDING THE NUMBER OF LICENSED BEDS
7 AN INDEPENDENT HOSPITAL MAY HAVE; AND AMENDING THE SIZE OF COUNTIES
8 COVERED BY THE ACT.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11 **31A-8-501**, as enacted by Chapter 44, Laws of Utah 1997

12 *Be it enacted by the Legislature of the state of Utah:*

13 Section 1. Section **31A-8-501** is amended to read:

14 **31A-8-501. Access to health care providers.**

15 (1) As used in this section:

16 (a) "Class of health care provider" means a health care provider or a health care facility
17 regulated by the state within the same professional, trade, occupational, or certification category
18 established under Title 58, Occupations and Professions, or within the same facility licensure
19 category established under Title 26, Chapter 21, Health Care [~~Facilities Inspection and Licensure~~]
20 Facility Licensing and Inspection Act.

21 (b) "Covered health care services" or "covered services" means health care services for
22 which an enrollee is entitled to receive under the terms of a health maintenance organization
23 contract.

24 (c) "Credentialed staff member" means a health care provider with active staff privileges
25 at an independent hospital or federally qualified health center.

26 (d) "Federally qualified health center" means as defined in the Social Security Act, 42
27 U.S.C. Sec. 1395(x).

- 28 (e) "Independent hospital" means a general acute hospital that:
- 29 (i) is licensed pursuant to Title 26, Chapter 21, Health Care [~~Facilities Inspection and~~
30 ~~Licensure~~] Facility Licensing and Inspection Act; and
- 31 (ii) is [~~controlled~~] governed by a board of directors of which 51% or more reside in the
32 county where the hospital is located and:
- 33 (A) the board of directors is [~~ultimately~~] responsible for [~~the policy and financial~~
34 ~~overseeing medical staff, policy, and quality~~] decisions of the hospital; or
- 35 (B) the hospital is licensed for [~~45~~] 150 or fewer beds [~~and is not owned, in whole or in~~
36 ~~part, by an entity that owns or controls a health maintenance organization if the hospital is a~~
37 ~~contracting facility of the organization~~].
- 38 (f) "Noncontracting provider" means an independent hospital, federally qualified health
39 center, or credentialed staff member who has not contracted with a health maintenance
40 organization to provide health care services to enrollees of the organization.
- 41 (2) A health maintenance organization shall pay for covered health care services rendered
42 to an enrollee by an independent hospital, a credentialed staff member at an independent hospital,
43 or a credentialed staff member at his local practice location if:
- 44 (a) the enrollee lives or resides within 30 paved road miles of the independent hospital;
- 45 (b) the independent hospital is located in a county with a population density of less than
46 [~~100~~] 200 people per square mile; and
- 47 (c) the enrollee has complied with the prior authorization and utilization review
48 requirements otherwise required by the health maintenance organization contract.
- 49 (3) A health maintenance organization shall pay for covered health care services rendered
50 to an enrollee at a federally qualified health center if:
- 51 (a) the enrollee lives or resides within 30 paved road miles of a federally qualified health
52 center;
- 53 (b) the federally qualified health center is located in a county with a population density of
54 less than [~~100~~] 200 people per square mile; and
- 55 (c) the enrollee has complied with the prior authorization and utilization review
56 requirements otherwise required by the health maintenance organization contract.
- 57 (4) (a) A health maintenance organization shall reimburse a noncontracting provider or the
58 enrollee for covered services rendered pursuant to Subsection (2) a like dollar amount as it pays

59 to contracting providers under a noncapitated arrangement for comparable services.

60 (b) A health maintenance organization shall reimburse a federally qualified health center
61 or the enrollee for covered services rendered pursuant to Subsection (3) a like amount as paid by
62 the health maintenance organization under a noncapitated arrangement for comparable services
63 to a contracting provider in the same class of health care providers as the provider who rendered
64 the service.

65 (5) A noncontracting provider may only refer an enrollee to another noncontracting
66 provider so as to obligate the enrollee's health maintenance organization to pay for the resulting
67 services if:

68 (a) the noncontracting provider making the referral or the enrollee has received prior
69 authorization from the organization for the referral; or

70 (b) the practice location of the noncontracting provider to whom the referral is made:

71 (i) is located in a county with a population density of less than [~~100~~] 200 people per square
72 mile; and

73 (ii) is within 30 paved road miles of:

74 (A) the place where the enrollee lives or resides; or

75 (B) the independent hospital or federally qualified health center at which the enrollee may
76 receive covered services pursuant to Subsection (2) or (3).

77 (6) Notwithstanding this section, a health maintenance organization may contract directly
78 with an independent hospital, federally qualified health center, or credentialed staff member.

Legislative Review Note
as of 1-25-00 6:26 PM

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

Office of Legislative Research and General Counsel