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INTEGRATED HEALTH SYSTEM FAIR

PRACTICES ACT

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca D. Lockhart

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill creates the Integrated Health System Fair Practices Act.

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ requires an integrated health system to restrict certain communications between affiliates and subsidiaries in certain circumstances.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

13-5b-101, Utah Code Annotated 1953

13-5b-102, Utah Code Annotated 1953

13-5b-103, Utah Code Annotated 1953

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

Section 1. Section **13-5b-101** is enacted to read:



28 **CHAPTER 5b. INTEGRATED HEALTH SYSTEM FAIR PRACTICES ACT**

29 **13-5b-101. Title.**

30 This chapter is known as the "Integrated Health System Fair Practices Act."

31 Section 2. Section **13-5b-102** is enacted to read:

32 **13-5b-102. Definitions.**

33 For purposes of this chapter:

34 (1) "Affiliate" means an organization that directly or indirectly through one or more
35 intermediaries controls, is controlled by, or is under common control with a nonprofit
36 organization.

37 (2) "Integrated health system" means a nonprofit organization that directly, or through
38 an affiliate or subsidiary:

39 (a) owns and operates one or more hospitals in the state; and

40 (b) offers health insurance to residents of the state.

41 (3) "Subsidiary" means an affiliate controlled:

42 (a) by a specified person;

43 (b) directly or indirectly; and

44 (c) through one or more intermediaries.

45 Section 3. Section **13-5b-103** is enacted to read:

46 **13-5b-103. Contract negotiation standards.**

47 (1) An integrated health system shall prohibit any employee or independent contractor
48 of any division, subsidiary, or affiliate engaged in the business of health insurance from
49 negotiating contracts on behalf of the integrated health care systems' health care facilities,
50 subject to licensing under Title 26, Chapter 21, Health Care Facility Licensing and Inspection
51 Act, with any other licensed health insurer in the state.

52 (2) An integrated health system shall prohibit the disclosure of contract pricing terms
53 between the integrated health care systems' health care facilities and other health insurers with
54 the integrated health care systems' divisions, subsidiaries, or affiliates which are engaged in the
55 business of health insurance.

Legislative Review Note
as of 1-19-07 6:51 PM

Office of Legislative Research and General Counsel

H.B. 374 - Integrated Health System Fair Practices Act

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
