



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  
48 to an enrollee at a federally qualified health center if:

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

59 or the enrollee for covered services rendered pursuant to Subsection (3) a like amount as paid by  
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**