

Senator Leonard M. Blackham proposes to substitute the following bill:

RURAL ACCESS TO HEALTH CARE

PROVIDERS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Leonard M. Blackham

This act modifies the Insurance Code by amending provisions related to access to rural health care providers. The act amends the population density which qualifies as a rural designation. The act grandfathers existing independent hospitals. The act takes effect July 1, 2001.

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

AMENDS:

31A-8-501 (Effective 07/01/01), as last amended by Chapters 68 and 122, Laws of Utah 2000

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

Section 1. Section **31A-8-501 (Effective 07/01/01)** is amended to read:

31A-8-501 (Effective 07/01/01). Access to health care providers.

(1) As used in this section:

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

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

(c) "Credentialed staff member" means a health care provider with active staff privileges



26 at an independent hospital or federally qualified health center.

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

29 (e) "Independent hospital" means a general acute hospital that:

30 (i) is licensed pursuant to Title 26, Chapter 21, Health Care Facility Licensing and
31 Inspection Act; and

32 (ii) is controlled by a board of directors of which 51% or more reside in the county where
33 the hospital is located and:

34 (A) the board of directors is ultimately responsible for the policy and financial decisions
35 of the hospital; or

36 (B) the hospital is licensed for 60 or fewer beds and is not owned, in whole or in part, by
37 an entity that owns or controls a health maintenance organization if the hospital is a contracting
38 facility of the organization.

39 (f) "Noncontracting provider" means an independent hospital, federally qualified health
40 center, or credentialed staff member who has not contracted with a health maintenance
41 organization to provide health care services to enrollees of the organization.

42 (2) [A] Except for a health maintenance organization which is under the common
43 ownership or control of an entity with a hospital located within ten paved road miles of an
44 independent hospital, a health maintenance organization shall pay for covered health care services
45 rendered to an enrollee by an independent hospital, a credentialed staff member at an independent
46 hospital, or a credentialed staff member at his local practice location if:

47 (a) the enrollee:

48 (i) lives or resides within 30 paved road miles of the independent hospital; or

49 (ii) if Subsection (2)(a)(i) does not apply, lives or resides in closer proximity to the
50 independent hospital than a contracting hospital;

51 (b) the independent hospital is located prior to December 31, 2000 in a county with a
52 population density of less than 100 people per square mile, or the independent hospital is located
53 in a county with a population density of less than 25 people per square mile; and

54 (c) the enrollee has complied with the prior authorization and utilization review
55 requirements otherwise required by the health maintenance organization contract.

56 (3) A health maintenance organization shall pay for covered health care services rendered

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

58 (a) the enrollee:

59 (i) lives or resides within 30 paved road miles of the federally qualified health center; or

60 (ii) if Subsection (3)(a)(i) does not apply, lives or resides in closer proximity to the

61 federally qualified health center than a contracting provider;

62 (b) the federally qualified health center is located in a county with a population density of

63 less than [~~100~~] 25 people per square mile; and

64 (c) the enrollee has complied with the prior authorization and utilization review

65 requirements otherwise required by the health maintenance organization contract.

66 (4) (a) A health maintenance organization shall reimburse a noncontracting provider or the

67 enrollee for covered services rendered pursuant to Subsection (2) a like dollar amount as it pays

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

69 (b) A health maintenance organization shall reimburse a federally qualified health center

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

71 the health maintenance organization under a noncapitated arrangement for comparable services

72 to a contracting provider in the same class of health care providers as the provider who rendered

73 the service.

74 (5) A noncontracting provider may only refer an enrollee to another noncontracting

75 provider so as to obligate the enrollee's health maintenance organization to pay for the resulting

76 services if:

77 (a) the noncontracting provider making the referral or the enrollee has received prior

78 authorization from the organization for the referral; or

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

80 (i) is located in a county with a population density of less than [~~100~~] 20 people per square

81 mile; and

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

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

84 (B) the independent hospital or federally qualified health center at which the enrollee may

85 receive covered services pursuant to Subsection (2) or (3).

86 (6) Notwithstanding this section, a health maintenance organization may contract directly

87 with an independent hospital, federally qualified health center, or credentialed staff member.

88 Section 2. **Effective date.**

89 This act takes effect on July 1, 2001.