

1                                   **AMENDMENTS TO ACCESS TO HEALTH CARE**

2   **PROVIDERS**

3   2004 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: Brad L. Dee**

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7   **LONG TITLE**

8   **General Description:**

9                   This bill amends the Insurance Code provisions related to access to rural health care  
10 providers.

11 **Highlighted Provisions:**

12                   This bill:

13                   ▶ amends the definition of "independent hospitals" entitled to protection under the  
14 access to rural health care provider provisions of the insurance code.

15 **Monies Appropriated in this Bill:**

16                   None

17 **Other Special Clauses:**

18                   None

19 **Utah Code Sections Affected:**

20 AMENDS:

21                   **31A-8-501**, as last amended by Chapter 263, Laws of Utah 2001

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

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

25                   **31A-8-501. Access to health care providers.**

26                   (1) As used in this section:

27                   (a) "Class of health care provider" means a health care provider or a health care facility



28 regulated by the state within the same professional, trade, occupational, or certification  
29 category established under Title 58, Occupations and Professions, or within the same facility  
30 licensure category established under Title 26, Chapter 21, Health Care Facility Licensing and  
31 Inspection Act.

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

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

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

39 (e) "Independent hospital" means a general acute hospital or critical access hospital  
40 that:

41 (i) is either:

42 (A) located 20 miles or more from any other general acute hospital or critical access  
43 hospital; or

44 (B) licensed as of January 1, 2004;

45 ~~(i)~~ (ii) is licensed pursuant to Title 26, Chapter 21, Health Care Facility Licensing and  
46 Inspection Act; and

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

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

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

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

57 (2) Except for a health maintenance organization which is under the common  
58 ownership or control of an entity with a hospital located within ten paved road miles of an

59 independent hospital, a health maintenance organization shall pay for covered health care  
60 services rendered to an enrollee by an independent hospital, a credentialed staff member at an  
61 independent hospital, or a credentialed staff member at his local practice location if:

62 (a) the enrollee:

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

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

66 (b) the independent hospital is located prior to December 31, 2000 in a county with a  
67 population density of less than 100 people per square mile, or the independent hospital is  
68 located in a county with a population density of less than 30 people per square mile; and

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

71 (3) A health maintenance organization shall pay for covered health care services  
72 rendered to an enrollee at a federally qualified health center if:

73 (a) the enrollee:

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

75 or

76 (ii) if Subsection (3)(a)(i) does not apply, lives or resides in closer proximity to the  
77 federally qualified health center than a contracting provider;

78 (b) the federally qualified health center is located in a county with a population density  
79 of less than 30 people per square mile; and

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

82 (4) (a) A health maintenance organization shall reimburse a noncontracting provider or  
83 the enrollee for covered services rendered pursuant to Subsection (2) a like dollar amount as it  
84 pays to contracting providers under a noncapitated arrangement for comparable services.

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

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

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

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

96 (i) is located in a county with a population density of less than 25 people per square  
97 mile; and

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

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

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

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

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**Legislative Review Note**  
**as of 2-16-04 4:53 PM**

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

**Office of Legislative Research and General Counsel**

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**Fiscal Note**  
**Bill Number HB0358**

**Amendments to Access to Health Care Providers**

*23-Feb-04*

*5:02 PM*

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**AMENDED NOTE**

**State Impact**

No fiscal impact.

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**Individual and Business Impact**

This bill will protect rural hospitals from competition with new hospitals built within a 20 mile radius.

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**Office of the Legislative Fiscal Analyst**