

1                                   **HEALTH PROVIDER REIMBURSEMENT**

2   **AMENDMENTS**

3   2004 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: Parley G. Hellewell**

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7   **LONG TITLE**

8   **General Description:**

9                   This bill amends provisions related to access to health care providers in the Health  
10 Maintenance Organization Chapter of the Insurance Code.

11 **Highlighted Provisions:**

12                   This bill:

- 13                   ▶ provides that a health maintenance organization must reimburse an insured for
- 14 services of noncontracted health care providers if those services are otherwise
- 15 covered by the insurance plan;
- 16                   ▶ establishes the reimbursement rate for noncontracted providers; and
- 17                   ▶ allows the health maintenance organization to impose a deductible for
- 18 noncontracted providers.

19 **Monies Appropriated in this Bill:**

20                   None

21 **Other Special Clauses:**

22                   None

23 **Utah Code Sections Affected:**

24 ENACTS:

25                   **31A-8-502**, Utah Code Annotated 1953

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



28 Section 1. Section 31A-8-502 is enacted to read:

29 **31A-8-502. Reimbursement of noncontracted providers.**

30 (1) As used in this section, "class of health care providers" means all health care  
31 providers licensed, or licensed and certified by the state, within the same professional, trade,  
32 occupational, or facility licensure, or licensure and certification category established pursuant  
33 to Titles 26, Utah Health Code and 58, Occupations and Professions.

34 (2) (a) Subject to Subsections (2)(b) through (2)(d), a health maintenance organization  
35 shall pay for the services of health care providers not under contract with the health  
36 maintenance organization, unless the illnesses or injuries treated by the health care provider are  
37 not within the scope of the health maintenance organization's health benefit plan.

38 (b) (i) When the insured receives services from a health care provider not under  
39 contract, the health maintenance organization shall reimburse the insured for at least 95% of  
40 the average amount paid by the health maintenance organization for comparable services of  
41 health care providers who are:

42 (A) under contract with the health maintenance organization; and

43 (B) members of the same class of health care providers.

44 (ii) The commissioner may adopt a rule dealing with the determination of what  
45 constitutes 95% of the average amount paid by the health maintenance organization for  
46 comparable services of health care providers who are members of the same class of health care  
47 providers.

48 (c) When reimbursing for services of health care providers not under contract, the  
49 health maintenance organization shall make direct payment to the health care provider.

50 (d) Notwithstanding Subsection (2)(b), a health maintenance organization may impose  
51 a deductible on coverage of health care providers not under contract.

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**Legislative Review Note**  
**as of 2-5-04 5:21 PM**

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

**Office of Legislative Research and General Counsel**