

Senator Parley G. Hellewell proposes the following substitute bill:

HEALTH PROVIDER REIMBURSEMENT

AMENDMENTS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Parley G. Hellewell

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ provides that a health maintenance organization must reimburse an insured for services of noncontracted health care providers if those services are otherwise covered by the insurance plan;
- ▶ establishes the reimbursement rate for noncontracted providers;
- ▶ allows the health maintenance organization to impose a deductible for noncontracted providers; and
- ▶ requires that noncontracted health care providers give written notice to the insured if the provider will charge more than the reimbursement rate.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



26 ENACTS:

27 **31A-8-502**, Utah Code Annotated 1953



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

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

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

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

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

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

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

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

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

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

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

55 (3) Any health care provider not under contract with the health maintenance
56 organization, who accepts the 95% reimbursement rate from the insured's health maintenance

57 organization may charge the insured for costs above the reimbursement rate only if the health
58 care provider gives written notice to the insured prior to rendering services.