

Senator Darin G. Peterson proposes the following substitute bill:

PRIVATELY OWNED HEALTH CARE

ORGANIZATION AMENDMENTS

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Michael G. Waddoups

LONG TITLE

General Description:

This bill amends the Unfair Practices Act to prohibit unfair competition by a person who owns a controlling interest in a hospital and an insurer in the state.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ establishes what constitutes unfair competition; and
- ▶ provides for remedies for a violation of the act.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on January 1, 2007.

Utah Code Sections Affected:

ENACTS:

13-5-19, Utah Code Annotated 1953

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

Section 1. Section **13-5-19** is enacted to read:



26 **13-5-19. Unfair competition between insurers and hospitals.**

27 (1) For purposes of this section:

28 (a) "Controlling interest" shall have the same meaning as in Section 16-6a-102.

29 (b) "Hospital" means a general acute hospital licensed under Title 26, Chapter 21,

30 Health Care Facility Licensing and Inspection Act.

31 (c) "Insurer" means:

32 (i) an entity offering:

33 (A) accident and health insurance; or

34 (B) health care services through a health maintenance organization; and

35 (ii) regulated in this state under:

36 (A) Title 31A, Insurance Code; or

37 (B) the federal Employee Retirement Income Security Act.

38 (2) It is a violation of this chapter for a person to own a controlling interest in an
39 insurer and a hospital in this state.

40 (3) The Legislature finds that a violation of Subsection (2) impairs or prevents fair
41 competition, injures the public welfare, and is unfair competition contrary to public policy and
42 the policy of this chapter. The prohibition in Subsection (2) is intended to promote
43 competition and to prevent market concentration.

44 (4) In addition to any other remedies provided by this chapter, a court may require the
45 person charged with a violation of Subsection (2) to divest itself of all or part of its ownership
46 in:

47 (a) the insurer; or

48 (b) the hospital in the state.

49 **Section 2. Effective date.**

50 This bill takes effect on January 1, 2007.