

**Senator Michael G. Waddoups** proposes the following substitute bill:

1        **PRIVATELY OWNED HEALTH CARE ORGANIZATION TASK FORCE**

2                                2005 GENERAL SESSION

3                                STATE OF UTAH

4                                **Sponsor: Michael G. Waddoups**

5     D. Chris Buttars	Thomas V. Hatch	Mark B. Madsen
6     Gene Davis	Parley G. Hellewell	Ed Mayne
7     Mike Dmitrich	Scott K. Jenkins	Darin G. Peterson
8     Dan R. Eastman	Sheldon L. Killpack	Howard A. Stephenson
9     Beverly Ann Evans	Peter C. Knudson	David L. Thomas

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11     **LONG TITLE**

12     **General Description:**

13                This bill creates the Privately Owned Health Care Organization Task Force.

14     **Highlighted Provisions:**

15                This bill:

- 16                ▶ establishes a legislative task force to study:
- 17                        • market penetration, geographic distribution, and contracting arrangements of
  - 18 integrated health care systems in the health insurance and health care markets in
  - 19 the state;
  - 20                        • the impact of divestiture of integrated health care systems in the health care
  - 21 market in the state;
  - 22                        • state policies that promote fair and appropriate competition in the health care
  - 23 market, including the adequacy and application of antitrust provisions to health
  - 24 care organizations;
  - 25                        • business and financial practices of health care organizations and how they may
  - 26 impede or enhance a fair and competitive health care market place and impact



27 consumers;

- 28 • the tax exempt status of nonprofit health care organizations;
- 29 • the statutory definition of charitable care;
- 30 • the contracting practices of health care organizations that promote cost-effective

31 health care;

- 32 • the need for consumer protections from health care provider conflicts of
- 33 interest; and

- 34 • the impact of proliferation of medical technology and facilities; and

35 ▶ provides an exception to the Open and Public Meetings Act which permits the task  
 36 force to close a meeting for the purpose of a discussing a record which is a trade  
 37 secret or contains commercial information and is designated as a protected record  
 38 under the Government Records Access and Management Act.

39 **Monies Appropriated in this Bill:**

40 This bill appropriates:

- 41 ▶ \$6,000 to the Senate for fiscal years 2004-05 and 2005-06;
- 42 ▶ \$9,000 to the House of Representatives for fiscal years 2004-05 and 2005-06; and
- 43 ▶ \$400,000 to the Office of Legislative Research and General Counsel for fiscal year
- 44 2004-05 only, for the purpose of providing economic and actuarial services to the
- 45 task force.

46 **Other Special Clauses:**

47 This bill provides an immediate effective date.

48 This bill is repealed on November 30, 2006.

49 **Uncodified Material Affected:**

50 ENACTS UNCODIFIED MATERIAL

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

53 **Section 1. Privately Owned Health Care Organization Task Force -- Creation --**  
 54 **Membership -- Interim rules followed -- Compensation -- Staff.**

55 (1) There is created the Privately Owned Health Care Organization Task Force  
 56 consisting of the following 15 members:

- 57 (a) six members of the Senate appointed by the president of the Senate, no more than

58 four of whom may be from the same political party; and

59 (b) nine members of the House of Representatives appointed by the speaker of the  
60 House of Representatives, no more than seven of whom may be from the same political party.

61 (2) (a) The president of the Senate shall designate a member of the Senate appointed  
62 under Subsection (1)(a) as a cochair of the task force.

63 (b) The speaker of the House of Representatives shall designate a member of the House  
64 of Representatives appointed under Subsection (1)(b) as a cochair of the task force.

65 (3) In conducting its business, the task force shall comply with the rules of legislative  
66 interim committees.

67 (4) Salaries and expenses of the members of the task force shall be paid in accordance  
68 with Section 36-2-2 and Legislative Joint Rule 15.03.

69 (5) The Office of Legislative Research and General Counsel shall provide staff support  
70 to the task force, and may, as permitted by the availability of funds, in consultation with the  
71 task force, contract with an economist, a financial analyst, and an actuary for services to the  
72 task force.

73 **Section 2. Duties -- Interim report.**

74 (1) The task force shall review and make recommendations on the following issues:

75 (a) market penetration, geographic distribution, and contracting arrangements of  
76 integrated health care systems in the health insurance and health care markets in the state;

77 (b) the impact of divestiture of integrated health care systems in the health care market  
78 in the state;

79 (c) state policies that promote fair and appropriate competition in the health care  
80 market, including the adequacy and application of antitrust provisions to health care  
81 organizations;

82 (d) business and financial practices of health care organizations and how they may  
83 impede or enhance a fair and competitive health care market place and impact consumers;

84 (e) the tax exempt status of nonprofit health care organizations;

85 (f) the statutory definition of charitable care;

86 (g) the contracting practices of health care organizations that promote cost-effective  
87 health care;

88 (h) the need for consumer protections from health care provider conflicts of interest;

89 and

90 (i) the impact of proliferation of medical technology and facilities.

91 (2) Notwithstanding the provisions of Section 52-4-5, the task force may close a  
92 meeting to review or discuss a record which is:

93 (a) a trade secret; or

94 (b) contains commercial information; and

95 (c) is classified as a protected record under Section 63-2-304.

96 (3) (a) An initial report shall be made to the Business and Labor Interim Committee  
97 and Revenue and Taxation Interim Committee by November 30, 2005.

98 (b) A final report, including any proposed legislation, shall be presented to the  
99 Business and Labor Interim Committee and Revenue and Taxation Interim Committee before  
100 November 30, 2006.

101 **Section 3. Appropriation.**

102 (1) There is appropriated from the General Fund for fiscal year 2004-05 only:

103 (a) \$6,000 to the Senate to pay for the compensation and expenses of senators on the  
104 task force; and

105 (b) \$ 9,000 to the House of Representatives to pay for the compensation and expenses  
106 of representatives on the task force.

107 (2) There is appropriated from the General Fund for fiscal year 2005-06 only:

108 (a) \$6,000 to the Senate to pay for the compensation and expenses of senators on the  
109 task force; and

110 (b) \$ 9,000 to the House of Representatives to pay for the compensation and expenses  
111 of representatives on the task force.

112 (3) There is appropriated from the General Fund for fiscal year 2004-05 only, \$400,000  
113 to the Office of Legislative Research and General Counsel to pay for staffing the task force  
114 with appropriate economic, financial, and actuary services.

115 **Section 4. Effective date.**

116 If approved by two-thirds of all the members elected to each house, this bill takes effect  
117 upon approval by the governor, or the day following the constitutional time limit of Utah  
118 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,  
119 the date of veto override.

120 Section 5. **Repeal date.**

121 This bill is repealed on November 30, 2006.

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**Fiscal Note**

Privately Owned Health Care Organization Task Force

25-Feb-05

**Bill Number: SB0061s05**10:42 AM

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**State Impact**

This bill appropriates \$415,000 from the General Fund in FY 2005 and \$15,000 from the General Fund in FY 2006. These funds will be distributed \$6,000 to the Senate, \$9,000 to the House of Representatives, \$400,000 to the Office of Legislative Research and General Counsel in FY 2005, \$6,000 to the Senate, and \$9,000 to the House of Representatives in FY 2006.

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	<u>Approp.</u>	<u>Approp.</u>	<u>Approp.</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
General Fund	\$415,000	\$15,000	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$415,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Individual and Business Impact**

No fiscal impact.

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**Office of the Legislative Fiscal Analyst**