

**Representative David Ure** proposes the following substitute bill:

**PATIENT ACCESS TO HEALTH CARE**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: David Ure**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill enacts the Health Care Organizations Practices Act.

**Highlighted Provisions:**

This bill:

- defines terms;
- requires a hospital to give at least the same discount to any uninsured patient, that the hospital gives to an affiliated health care insurer;
- requires a hospital to disclose discounts it provides to an affiliated health care insurer to the commissioner of the Department of Insurance;
- requires a hospital to certify to the licensing authority in the Department of Health that it is in compliance with this act; and
- provides for penalties for a violation of the act.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2006.

**Utah Code Sections Affected:**

ENACTS:



26 **13-5b-101**, Utah Code Annotated 1953  
27 **13-5b-102**, Utah Code Annotated 1953  
28 **13-5b-201**, Utah Code Annotated 1953  
29 **13-5b-301**, Utah Code Annotated 1953

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

32 Section 1. Section **13-5b-101** is enacted to read:

33 **CHAPTER 5b. HEALTH CARE ORGANIZATION PRACTICES ACT**

34 **Part 1. General Provisions**

35 **13-5b-101. Title -- Liberally construed.**

36 (1) This chapter is known as the "Health Care Organization Practices Act."

37 (2) This chapter shall be liberally construed.

38 Section 2. Section **13-5b-102** is enacted to read:

39 **13-5b-102. Definitions.**

40 As used in this chapter:

41 (1) "Affiliated" means two or more persons that:

42 (a) directly or indirectly, through one or more intermediaries, control, are controlled by,  
43 or are under common control; or

44 (b) when one person owns at least 20% of the other person.

45 (2) "Discount" means any mechanism that has the effect in whole or in part of reducing  
46 the actual fee paid to or ultimately received by a hospital for a service in comparison to the  
47 price charged for the same service to any other person, including:

48 (a) any fee reduction from charges;

49 (b) any rebates;

50 (c) half backs; or

51 (d) internal transfers.

52 (3) "Health care insurer" means:

53 (a) a health maintenance organization as defined in Section 31A-8-101; or

54 (b) an insurer offering accident and health insurance as defined in Section 31A-1-301.

55 (4) "Hospital" means a:

56 (a) "general acute hospital" as defined in Section 26-21-2; or

(b) "specialty hospital" as defined in Section 26-21-2.

(5) "Uninsured patient" means any natural person who:

(a) as a result of a diagnosis, illness, or injury, needs treatment from a hospital or physician's employed by the hospital; and

(b) does not have accident and health insurance coverage; or

(c) has accident and health insurance coverage that is a high deductible plan such as a Health Care Savings Account.

Section 3. Section **13-5b-201** is enacted to read:

## **Part 2. Organization Practices**

### **13-5b-201. Discounts.**

(1) A hospital, a physician employed by a hospital, or a physician under an exclusive contract with a hospital shall give any uninsured patient who obtains services from the hospital or physician at least the greatest discount the hospital or physician provides to a patient who:

(a) is an enrollee of a health care insurer who is affiliated with the hospital; and

(b) receives the same services.

(2) The requirements of Subsection (1):

(a) are effective July 1, 2006 for uninsured individuals; and

(b) do not apply to a hospital that is not affiliated with a health care insurer.

(3) (a) Beginning July 1, 2006, a hospital shall provide to the commissioner of the Insurance Department timely and accurate information on the hospital's, employed physician's or, physician's under exclusive contract discount for a service that is given to an affiliated health care insurer.

(b) A hospital subject to this chapter, and licensed under Title 26, Chapter 21, Health Care Facility Licensing, and Inspection Act, shall, at the time of any license renewal, certify to the licensing authority in the Department of Health that the hospital is in compliance with the requirements of this chapter.

Section 4. Section **13-5b-301** is enacted to read:

## **Part 3. Penalties**

### **13-5b-301. Penalties -- Private right of action.**

In addition to other penalties provided for under Title 13, Chapter 5, Unfair Practices Act and Title 76, Chapter 10, Part 9, Trade and Commerce, a hospital or organization that

88 knowingly or with conscious disregard violates this chapter is subject to a private right of  
89 action under which a person injured by a violation of this chapter may receive:

90 (1) treble damages;

91 (2) costs of litigation;

92 (3) attorney's fees; and

93 (4) contractual damages that are otherwise available.

94 **Section 5. Effective date.**

95 This bill takes effect on July 1, 2006.