| Enrolled Copy | H.B. | 374 |
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| 1 | INTEGRATED HEALTH SYSTEM FAIR |
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| 2 | PRACTICES ACT |
| 3 | 2007 GENERAL SESSION |
| 4 | STATE OF UTAH |
| 5 | Chief Sponsor: Rebecca D. Lockhart |
| 6 | Senate Sponsor: Curtis S. Bramble |
| 7 8 | LONG TITLE |
| 9 | General Description: |
| 10 | This bill creates the Integrated Health System Fair Practices Act. |
| 11 | Highlighted Provisions: |
| 12 | This bill: |
| 13 | defines terms; and |
| 14 | requires an integrated health system to restrict certain communications between |
| 15 | affiliates and subsidiaries in certain circumstances. |
| 16 | Monies Appropriated in this Bill: |
| 17 | None |
| 18 | Other Special Clauses: |
| 19 | None |
| 20 | Utah Code Sections Affected: |
| 21 | ENACTS: |
| 22 | 13-5b-101 , Utah Code Annotated 1953 |
| 23 | 13-5b-102 , Utah Code Annotated 1953 |
| 24 | 13-5b-103 , Utah Code Annotated 1953 |
| 25 | |
| 26 | Be it enacted by the Legislature of the state of Utah: |
| 27 | Section 1. Section 13-5b-101 is enacted to read: |
| 28 | CHAPTER 5b. INTEGRATED HEALTH SYSTEM FAIR PRACTICES ACT |
| 29 | <u>13-5b-101.</u> Title. |

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| 30 | This chapter is known as the "Integrated Health System Fair Practices Act." |
| 31 | Section 2. Section 13-5b-102 is enacted to read: |
| 32 | <u>13-5b-102.</u> Definitions. |
| 33 | For purposes of this chapter: |
| 34 | (1) "Affiliate" means an organization that directly or indirectly through one or more |
| 35 | intermediaries controls, is controlled by, or is under common control with another |
| 36 | organization. |
| 37 | (2) "Integrated health system" means an organization that directly, or through an |
| 38 | affiliate or subsidiary: |
| 39 | (a) owns and operates one or more hospitals in the state; and |
| 40 | (b) offers health insurance to residents of the state. |

40 (b) offers health insurance to residents of the state.
41 (3) "Subsidiary" means an affiliate controlled:
42 (a) by a specified person;

43 (b) directly or indirectly; and

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44 (c) through one or more intermediaries.

45 Section 3. Section **13-5b-103** is enacted to read:

46 <u>13-5b-103.</u> Contract negotiation standards.

(1) An integrated health system shall prohibit any employee or independent contractor of any division, subsidiary, or affiliate engaged in the business of health insurance from negotiating contracts on behalf of the integrated health care system's health care facilities, subject to licensing under Title 26, Chapter 21, Health Care Facility Licensing and Inspection Act, with any other licensed health insurer in the state.

(2) An integrated health system shall prohibit the disclosure of contract pricing terms between the integrated health care system's health care facilities and other health insurers with the integrated health care system's divisions, subsidiaries, or affiliates which are engaged in the business of health insurance.