

1 **HEALTH CARE CONSUMER PROTECTION AMENDMENTS**

2 2020 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Norman K. Thurston**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the Insurance Code.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ creates a definition;

13 ▶ prohibits a health care provider from misrepresenting that the provider is a
14 contracted provider under a health benefit plan when that is not the case; and

15 ▶ specifies that a violation is a violation of the Utah Consumer Sales Practices Act.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **31A-45-301**, as enacted by Laws of Utah 2017, Chapter 292

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

25 Section 1. Section **31A-45-301** is amended to read:

26 **31A-45-301. Written contracts -- Limited liability of enrollee -- Provider claim**
27 **disputes -- Leased networks.**



28 (1) As used in this section, "health care provider" means a person licensed to provide
29 health care under:

30 (a) Title 26, Chapter 21, Health Care Facility Licensing and Inspection Act; or

31 (b) Title 58, Occupations and Professions.

32 ~~[(1)]~~ (2) A managed care organization may not contract with a health care provider for
33 treatment of illness or injury unless the health care provider is licensed to perform that
34 treatment. Every contract between a managed care organization and a network provider shall be
35 in writing and shall set forth that if the managed care organization:

36 (a) fails to pay for health care services as set forth in the contract, the enrollee is not
37 liable to the health care provider for any sums owed by the managed care organization; and

38 (b) becomes insolvent, the rehabilitator or liquidator may require the network provider
39 to:

40 (i) continue to provide health care services under the contract between the network
41 provider and the managed care organization until the earlier of:

42 (A) 90 days after the date of the filing of a petition for rehabilitation or a petition for
43 liquidation; or

44 (B) the date the term of the contract ends; and

45 (ii) subject to Subsection ~~[(3)]~~ (4), reduce the fees the network provider is otherwise
46 entitled to receive from the managed care organization under the contract between the network
47 provider and the managed care organization during the time period described in Subsection
48 ~~[(1)]~~ (2)(b)(i).

49 ~~[(2)]~~ (3) If the conditions of Subsection ~~[(3)]~~ (4) are met, the network provider:

50 (a) shall accept the reduced payment as payment in full; and

51 (b) as provided in Subsection ~~[(1)]~~ (2)(a), may not collect additional amounts from the
52 insolvent managed care organization's enrollee, except as may be owed under Subsection ~~[(3)]~~
53 (4)(b).

54 ~~[(3)]~~ (4) Notwithstanding Subsection ~~[(1)]~~ (2)(b)(ii):

55 (a) the rehabilitator or liquidator may not reduce a fee to less than 75% of the regular
56 fee set forth in the network provider contract; and

57 (b) the enrollee shall continue to pay the same copayments, deductibles, and other
58 payments for services received from the network provider that the enrollee was required to pay

59 before the filing of:

60 (i) the petition for rehabilitation; or

61 (ii) the petition for liquidation.

62 [~~(4)~~] (5) A network provider may not collect or attempt to collect from the enrollee
63 sums owed by the managed care organization or the amount of the regular fee reduction
64 authorized under Subsection [~~(1)~~] (2)(b)(ii) if the network provider contract:

65 (a) is not in writing as required in Subsection [~~(1)~~] (2); or

66 (b) fails to contain the language required by Subsection [~~(1)~~] (2).

67 [~~(5)~~] (6) (a) A person listed in Subsection [~~(5)~~] (6)(b) may not bill or maintain any
68 action at law against an enrollee to collect:

69 (i) sums owed by the organization; or

70 (ii) the amount of the regular fee reduction authorized under Subsection [~~(1)~~] (2)(b)(ii).

71 (b) Subsection [~~(5)~~] (6)(a) applies to:

72 (i) a network provider;

73 (ii) an agent;

74 (iii) a trustee; or

75 (iv) an assignee of a person described in Subsections [~~(5)~~] (6)(b)(i) through (iii).

76 (c) In any dispute involving a network provider's claim for reimbursement, the network
77 provider's claim shall be determined in accordance with applicable law, the network provider
78 contract, the enrollee contract, and the managed care organization's written payment policies in
79 effect at the time services were rendered.

80 (d) If the parties are unable to resolve their dispute, the matter shall be subject to
81 binding arbitration by a jointly selected arbitrator. Each party shall bear its own expense except
82 that the cost of the jointly selected arbitrator shall be equally shared. This Subsection [~~(5)~~]
83 (6)(d) does not apply to the claim of a general acute hospital to the extent the claim is
84 inconsistent with the hospital's provider agreement.

85 (e) A managed care organization may not penalize a network provider solely for
86 pursuing a claims dispute or otherwise demanding payment for a sum believed owing.

87 [~~(6)~~] (7) If a managed care organization permits another private entity with which the
88 managed care organization does not share common ownership or control to use or otherwise
89 lease one or more of the organization's networks that include network providers, the managed

90 care organization shall ensure, at a minimum, that the entity pays the network providers
91 included in the managed care organization's network in accordance with the same fee schedule
92 and general payment policies as the managed care organization would pay for those network
93 providers, unless payment for services is governed by a public program's fee schedule.

94 (8) (a) Neither a health care provider, nor a health care provider's representative, may
95 represent to an enrollee that the health care provider is a contracted provider under the
96 enrollee's health benefit plan if the health care provider is not a contracted provider under the
97 enrollee's health benefit plan.

98 (b) A violation of Subsection (8)(a) is a deceptive act or practice under Section
99 [13-11-4](#).