

MAR 13 1995

HUMAN RESOURCES

HOUSE FILE 383
BY MURPHY and BRAND

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the reimbursement of health care providers
2 pursuant to a managed care delivery system and to the
3 establishment of expanded provider networks under such system.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 383

1 Section 1. NEW SECTION. 514F.4 MANAGED CARE DELIVERY
2 SYSTEM REIMBURSEMENT.

3 1. None of the provisions contained in Title XIII,
4 subtitle 1, shall be construed to authorize or permit a
5 managed care delivery system to deny a claim and refuse to pay
6 benefits for health care services otherwise covered under the
7 system solely because the services are provided by a licensed
8 health care provider other than one under contract or
9 otherwise designated by the system to provide the services to
10 persons covered by the system. Notwithstanding section
11 514C.6, payment to a licensed health care provider pursuant to
12 this section shall be made in the same manner and amount and
13 under the same conditions as a payment would be made to a
14 health care provider under contract or otherwise designated by
15 the system. This section does not apply to a health care
16 provider who does not agree to accept the conditions,
17 restrictions, and reimbursement levels provided by the system.

18 2. For purposes of this section, "managed care delivery
19 system" means a health maintenance organization, individual
20 practice arrangements, preferred provider organization,
21 exclusive provider organization, organized delivery system, or
22 another similar entity as defined in rules adopted by the
23 commissioner.

24 Sec. 2. NEW SECTION. 514I.1 DEFINITION.

25 As used in this chapter, "managed care delivery system"
26 means an entity, whether or not licensed by the state, which
27 offers to provide health care benefits to persons in this
28 state through prearrangements with providers of health care
29 services, including, but not limited to, health maintenance
30 organizations, individual practice arrangements, preferred
31 provider organizations, exclusive provider organizations, and
32 organized delivery systems.

33 Sec. 3. NEW SECTION. 514I.2 EXPANDED PROVIDER NETWORK --
34 REQUEST BY ENROLLEE OR SUBSCRIBER.

35 Upon the written request of an enrollee or a subscriber

1 under a managed care delivery system, the managed care
2 delivery system shall establish an expanded network of
3 physicians licensed under chapter 148, 150, or 150A, or
4 hospitals licensed under chapter 135B, as requested by the
5 enrollee or subscriber, which shall be in addition to the
6 managed care delivery system's existing provider network. The
7 managed care delivery system shall accept as a provider in the
8 expanded network any licensed physician or licensed hospital
9 as requested by the enrollee or subscriber which satisfies all
10 of the following:

11 1. Satisfies the managed care delivery system's approved
12 credentialing standards, without regard to quotas or numerical
13 limitations of any kind as established by the managed care
14 delivery system.

15 2. Agrees to the terms of the managed care delivery
16 system's approved provider contract, which shall be the same
17 as the contract offered to the health care providers currently
18 participating in the managed care delivery system's existing
19 provider network.

20 3. Agrees to comply with the managed care delivery
21 system's approved clinical protocols, which shall be the same
22 as those clinical protocols which apply to the health care
23 providers currently participating in the managed care delivery
24 system's existing provider network.

25 Sec. 4. NEW SECTION. 514I.3 COMPLAINT PROCESS
26 ESTABLISHED.

27 The commissioner of insurance and the director of public
28 health shall review and approve and disapprove the
29 credentialing standards, provider contracts, and clinical
30 protocols relating to physicians and hospitals as applied to
31 the expanded network. A managed care delivery system shall
32 establish and maintain a complaint process affording due
33 process to any enrollee or subscriber making a request for an
34 expanded provider network pursuant to this chapter as well as
35 to any licensed physician or hospital denied acceptance into

1 the expanded provider network. The complaint process shall be
2 reviewed and approved or disapproved by the commissioner and
3 the director.

4 EXPLANATION

5 This bill creates a new chapter 514I concerning managed
6 care delivery systems and a new section 514F.4 concerning
7 reimbursement of health care providers by managed care
8 delivery systems.

9 New section 514F.4 prohibits a managed care plan from
10 denying a claim and refusing to pay benefits for health care
11 services otherwise covered under the plan solely because the
12 services are provided by a licensed health care provider other
13 than one under contract or otherwise designated by the plan to
14 provide the services to persons covered by the plan. Payment
15 to a licensed health care provider pursuant to this section
16 shall be made in the same manner and amount and under the same
17 conditions as a payment would be made to a health care
18 provider under contract or otherwise designated by the plan.
19 For purposes of this new section, "managed care plan" is
20 defined to include a health maintenance organization,
21 preferred provider organization, organized delivery system,
22 restricted access network, or other entity as defined in rules
23 adopted by the commissioner of insurance.

24 New section 514I.1 establishes a definition for managed
25 care delivery systems.

26 New section 514I.2 provides that upon the written request
27 of an enrollee or a subscriber under a managed care delivery
28 system, the managed care delivery system is to establish an
29 expanded network of physicians licensed under chapter 148,
30 150, or 150A, or hospitals licensed under chapter 135B, as
31 requested by the enrollee or subscriber. The managed care
32 delivery system must accept as a provider in the expanded
33 network any licensed physician or licensed hospital as
34 requested by the enrollee or subscriber which satisfies
35 requirements established in that section.

1 New section 514I.3 requires a managed care delivery system
2 to establish and maintain a complaint process affording due
3 process to any enrollee or subscriber making a request for an
4 expanded provider network pursuant to the chapter as well as
5 to any licensed physician or hospital denied acceptance into
6 the expanded provider network.

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