

FILED MAR 21 1995

SENATE FILE 449  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 283)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to patient access through managed care plans or  
2 indemnity plans with limited provider networks to defined  
3 physicians.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 449

1 Section 1. NEW SECTION. 514C.11 PATIENT ACCESS TO TYPES  
2 OF PHYSICIANS UNDER MANAGED CARE HEALTH PLAN OR INDEMNITY PLAN  
3 WITH LIMITED PROVIDER NETWORK.

4 Notwithstanding section 514C.6, a managed care health plan  
5 or indemnity plan with a limited provider network shall  
6 provide patients direct access to each type of physician, as  
7 defined in section 135.1, and shall not condition that access  
8 upon a referral by a physician licensed under another chapter.  
9 Any copayment, deductible, cost containment mechanism, or  
10 premium rate shall not discriminate directly or indirectly  
11 upon the basis of the license held by the physician. Access  
12 to a nonparticipating physician may be restricted or may be  
13 subject to different copayments, deductibles, or premium  
14 rates, or may be excluded, provided that a plan shall not  
15 differentiate or exclude a physician directly or indirectly  
16 upon the basis of the license held by the physician.

17 Each plan must demonstrate that it appropriately serves the  
18 needs of the subscriber population in the service area of the  
19 plan with regard to patient access to each type of physician.

20 For purposes of this section, "managed care health plan or  
21 indemnity plan with a limited provider network" means a health  
22 maintenance organization, organized delivery system,  
23 accountable health plan, preferred provider organization,  
24 exclusive provider organization, restricted access network, or  
25 similar health-care plan. For purposes of this section,  
26 "physician" means as defined in section 135.1.

27 EXPLANATION

28 This bill creates a new section 514C.11 which provides that  
29 a managed care health plan or indemnity plan with a limited  
30 provider network is to provide patients direct access to each  
31 type of physician, as defined in section 135.1. The access  
32 required pursuant to this section is not to be conditioned  
33 upon a referral by a physician licensed under another chapter.  
34 A copayment, deductible, cost containment mechanism, or  
35 premium rate under such plan shall not discriminate directly

1 or indirectly upon the basis of the license held by a  
2 physician. Access to a nonparticipating physician under such  
3 plan may be restricted or may be subject to different copay-  
4 ments, deductibles, or premium rates, or may be excluded under  
5 the plan, so long as the differentiation or exclusion is not  
6 upon the basis of the license held by the physician.

7 The bill requires that each plan demonstrate that it  
8 appropriately serves the needs of the subscriber population in  
9 the service area of the plan with regard to patient access to  
10 physicians of each type.

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Groustal  
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Freeman  
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Succeeded By Commerce  
SF / HF \_\_\_\_\_

SENATE FILE 449

BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY  
CHAIRPERSON DELUHERY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to patient access through managed care plans or  
2 indemnity plans with limited provider networks to health care  
3 providers authorized to utilize differential diagnosis and  
4 physical examinations to determine human ailments.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 514C.11 PROVIDER ACCESS UNDER  
2 MANAGED CARE HEALTH PLAN OR INDEMNITY PLAN WITH LIMITED  
3 PROVIDER NETWORK.

4 1. a. Notwithstanding section 514C.6, a managed care  
5 health plan or indemnity plan with a limited provider network  
6 shall provide patients direct access to each type of provider  
7 that has authority under Title IV, subtitle 3, to utilize  
8 differential diagnosis and physical examinations to determine  
9 human ailments and shall not condition that access upon a  
10 referral by a provider licensed under another chapter. In  
11 addition, a managed care health plan or indemnity plan with a  
12 limited provider network shall accept as a provider in the  
13 network any provider licensed under Title IV, subtitle 3, who  
14 satisfies both of the following:

15 (1) Agrees to the conditions of the provider contract  
16 required by the managed care health plan or indemnity plan.

17 (2) Meets the credentialing standards established by the  
18 managed care health plan or indemnity plan.

19 b. Any conditions or standards established by a managed  
20 care health plan or indemnity plan for a provider shall not  
21 discriminate against providers on the basis of the license  
22 held under Title IV, subtitle 3. A referral to a specialist  
23 may be conditioned upon a referral by a primary care provider  
24 licensed under the same chapter or as provided pursuant to the  
25 standards and conditions of the managed care health plan or  
26 indemnity plan.

27 2. A plan may discriminate with respect to premium  
28 structures, including copayments, deductibles, or premium  
29 rates, or with respect to access to specialists or  
30 nonparticipating providers on any rational basis, provided  
31 that such discrimination shall not be upon the basis of the  
32 license held by the provider.

33 3. Each managed care health plan or indemnity plan with a  
34 limited provider network shall provide written documentation  
35 to the department of public health or the insurance division,

1 as appropriate, showing that the managed care health plan or  
2 indemnity plan serves the needs of the population within the  
3 service area of such plan, and showing that the plan does not  
4 discriminate against any type of provider upon the basis of  
5 the license held by such providers.

6 4. For purposes of this section, "managed care health plan  
7 or indemnity plan with a limited provider network" means a  
8 health maintenance organization, organized delivery system,  
9 integrated delivery system, preferred provider organization,  
10 exclusive provider organization, point of service plan,  
11 standard indemnity insurance plan or any similar plan  
12 providing for health care services.

13 5. This section shall not apply if an employer offers  
14 employees a choice of health care plans which satisfy both of  
15 the following:

16 a. The offered choices include at least one indemnity plan  
17 with an unrestricted choice of providers or at least one  
18 managed care health plan or indemnity plan with a limited  
19 provider network which provides access defined in this  
20 section.

21 b. The cost of the different plans offered shall not  
22 discriminate on the basis of the license held by a  
23 participating provider who has authority under Title IV,  
24 subtitle 3, to utilize differential diagnosis and physical  
25 examination to determine human ailments.

26 EXPLANATION

27 This bill creates a new section 514C.11 which provides that  
28 a managed care health plan or indemnity plan with a limited  
29 provider network is to provide patients with direct access to  
30 health care providers who are authorized under Title IV,  
31 subtitle 3, of the Iowa Code to utilize differential diagnosis  
32 and physical examinations to determine human ailments. Access  
33 provided under the section is not to be conditioned upon a  
34 referral by a provider licensed under a different chapter.  
35 The bill provides that a plan may discriminate with respect to

1 premium structures, including copayments, deductibles, or  
2 premium rates, or with respect to access to specialists or  
3 nonparticipating providers on any rational basis, provided  
4 that such discrimination shall not be upon the basis of the  
5 license held by the provider.

6 The bill provides that each managed care health plan or  
7 indemnity plan shall provide written documentation to the  
8 department of public health or insurance division, as  
9 appropriate, showing that the managed care health plan or  
10 indemnity plan serves the needs of the population within the  
11 service area of such plan, and showing that the plan does not  
12 discriminate against any type of provider upon the basis of  
13 the license held by such providers.

14 The bill defines a managed care health plan or indemnity  
15 plan with a limited provider network as a health maintenance  
16 organization, organized delivery system, integrated delivery  
17 system, preferred provider organization, exclusive provider  
18 organization, point of service plan, standard indemnity  
19 insurance plan, or similar health plan.

20 The bill also provides that the requirement to provide  
21 access does not apply if an employer offers employees a choice  
22 of health plans and one of the plans offered includes  
23 unrestricted choice of provider, or one with a limited  
24 provider network which provides access as provided in section  
25 514C.11, and the cost of the different plans offered does not  
26 discriminate on the basis of the license held by a  
27 participating provider.

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