

FEB 13 1997
COMMERCE AND REGULATION

HOUSE FILE 241
BY GRUNDBERG

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

A BILL FOR

1 An Act prohibiting the restriction of medical communications by
2 health care providers and providing effective and
3 applicability dates.

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

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HF 241

1 Section 1. NEW SECTION. 135.29A PATIENT RIGHT-TO-KNOW
2 ACT.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "Health care provider" means anyone licensed under
6 Title IV, subtitle 3, to provide health care services.

7 b. "Health plan" means any public or private health plan
8 or arrangement offered by an insurance company authorized to
9 do business in this state pursuant to Title III, subtitle 1, a
10 health maintenance organization issued a certificate of
11 authority pursuant to chapter 514B, or an organized delivery
12 system licensed pursuant to 1993 Iowa Acts, chapter 158, to
13 provide or pay health care costs, and includes an organization
14 or network of health care providers that furnishes health
15 services for such plans under contracts or agreements with the
16 licensed entity offering the plan.

17 c. "Medical communication" means any communication, other
18 than a knowing and willful misrepresentation, regarding the
19 mental or physical health care needs or treatment of a patient
20 and the provisions, terms, or requirements of a health plan
21 relating to such needs or treatment made by a health care
22 provider to: a current, former, or prospective patient or
23 their guardian or legal representative; an employee or
24 representative of the entity offering the health plan; or an
25 employee or representative of a state or federal authority
26 with responsibility for the licensing or oversight of such
27 entity or health plan. "Medical communication" includes, but
28 is not limited to, a communication concerning any of the
29 following:

30 (1) Tests, consultations, and treatment options, including
31 any risks or benefits associated with such tests,
32 consultation, or options.

33 (2) Variations among any health care providers and any
34 institutions providing such services in experience, quality,
35 or outcomes.

1 (3) The basis or standard for the decision of an entity
2 offering a health plan to authorize or deny health care
3 services or benefits.

4 (4) The process used by such an entity to determine
5 whether to authorize or deny health care services or benefits.

6 (5) Any financial incentives or disincentives provided by
7 such an entity to a health care provider that are based on
8 service utilization.

9 2. An entity offering a health plan shall not provide, as
10 part of any contract or agreement with a health care provider
11 or network of health care providers, any restriction on or
12 interference with any medical communication. A provision
13 containing such a restriction or interference shall be null
14 and void.

15 3. An entity offering a health plan shall not take any of
16 the following actions against a health care provider on the
17 basis of a medical communication:

18 a. Refusal to contract with the health care provider.

19 b. Termination of or refusal to renew a contract with the
20 health care provider.

21 c. Refusal to refer patients to or allow others to refer
22 patients to the health care provider.

23 d. Refusal to compensate the health care provider for
24 covered services.

25 e. Any other retaliatory action against the health care
26 provider.

27 4. This section shall not be construed as preventing an
28 entity offering a health plan from acting on information
29 relating to treatment actually provided to a patient or the
30 failure of a health care provider to comply with legal
31 standards relating to the provision of care.

32 Sec. 2. LIMITATIONS AND EFFECTIVE DATES.

33 1. This Act, being deemed of immediate importance, takes
34 effect upon enactment.

35 2. Section 1, subsection 2, shall apply to contracts or

1 agreements entered into or renewed on or after the effective
2 date of this Act, and to existing contracts and agreements
3 entered into before such date as of thirty days after such
4 date.

5 3. Section 1, subsection 3, shall apply to actions taken
6 on or after the effective date of this Act, regardless of when
7 the communication on which the action is based occurred.

8 EXPLANATION

9 This bill prohibits licensed insurance companies, health
10 maintenance organizations, and organized delivery systems from
11 restricting or interfering with medical communications of
12 health care providers with or on behalf of their patients. A
13 medical communication is defined in the bill to include any
14 communication, other than a knowing and willful
15 misrepresentation, regarding a patient's treatment and mental
16 or physical health care needs and the provisions of a health
17 plan related to such needs or treatment, between a health care
18 provider and a patient, the patient's legal representative, an
19 employee of an entity offering a health plan, or a state or
20 federal licensing or regulatory authority. The bill further
21 prohibits an entity offering a health plan from taking
22 retaliatory actions against health care providers based on
23 medical communications. Any agreements or arrangements
24 prohibited by the provisions of this bill would be immediately
25 null and void. However, entities offering health plans are
26 given 30 days from the effective date of this bill to delete
27 such prohibited arrangements from their existing provider
28 agreements.

29 This bill takes effect upon enactment.

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