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COMMERCE AND REGULATION

HOUSE FILE 25

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

A BILL FOR

1 An Act relating to protections provided an enrollee of a health
2 maintenance organization and making remedies and penalties
3 applicable.

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

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HF 25

1 Section 1. Section 514B.1, subsection 5, Code 1999, is
2 amended by adding the following new paragraphs:

3 NEW PARAGRAPH. f. (1) Notwithstanding section 514C.6,
4 the health care services available to an enrollee under a
5 prepaid group plan shall include a provision that if a
6 contract between the prepaid group plan, in connection with
7 the health care services provided, and a provider is
8 terminated, or a benefit or coverage provided by a provider is
9 terminated because of a change in the terms of provider
10 participation in the prepaid group plan, and the enrollee is
11 undergoing a course of treatment related to a pregnancy at the
12 time of the termination, the prepaid group plan shall notify
13 the enrollee on a timely basis of the termination and shall,
14 if the enrollee so chooses, permit the enrollee to continue to
15 be covered with respect to the course of treatment related to
16 the pregnancy provided by the provider through the provision
17 of postpartum care directly related to the delivery.

18 (2) Notwithstanding section 514C.6, if a contract for
19 provision of health insurance coverage between a prepaid group
20 plan and a health insurance issuer is terminated and, as a
21 result of the termination, coverage of services of a provider
22 is terminated with respect to an enrollee who is undergoing a
23 course of treatment related to a pregnancy at the time of the
24 termination, coverage by the health insurance issuer shall
25 continue if the enrollee so chooses and the health care
26 services provided shall continue as if there had been a
27 contract between the prepaid group plan and the provider which
28 had been terminated, and the enrollee shall continue to be
29 covered with respect to the course of treatment related to the
30 pregnancy with the provider through the provision of
31 postpartum care directly related to the delivery.

32 NEW PARAGRAPH. g. Notwithstanding section 514C.6, the
33 health care services available to an enrollee under a prepaid
34 group plan shall include a provision that if emergency health
35 care services are provided under a prepaid group plan, the

1 plan shall cover emergency health care services received by an
2 enrollee, without regard to other contrary terms or conditions
3 of coverage, if the enrollee seeks emergency health care
4 services for an emergency medical condition based on a prudent
5 layperson standard. For purposes of this paragraph,
6 "emergency medical condition based on a prudent layperson
7 standard" means that a person suffers from a medical condition
8 manifesting itself by acute symptoms of sufficient severity,
9 which may include severe pain, such that a prudent layperson,
10 who possesses an average knowledge of health and medicine,
11 could reasonably expect the absence of immediate medical
12 attention to result in a condition described in 42 U.S.C. §
13 1396u-2(b)(2)(cc)(i), (ii), or (iii). For the purposes of
14 this section, "emergency health care services" means a medical
15 screening examination that is within the capability of the
16 emergency department of a hospital, including ancillary
17 services routinely available to the emergency department to
18 evaluate an emergency medical condition and within the
19 capabilities of the staff and facilities available at the
20 hospital, such further medical examination and treatment as
21 are required under 42 U.S.C. § 1396u-2(b)(2) to stabilize the
22 patient.

23 Sec. 2. NEW SECTION. 514B.14A EXTERNAL APPEAL PROCESS.

24 1. A health maintenance organization shall establish and
25 maintain an external appeals process to address denials of
26 claims by the health maintenance organization. The health
27 maintenance organization shall contract with an external
28 appeal entity approved by the commissioner of insurance.

29 2. The external appeal process shall provide for all of
30 the following:

31 a. A fair, de novo determination of the claim in dispute.

32 b. Each party may submit and review evidence related to
33 the claim in dispute, may use the assistance or representation
34 of an attorney, and may make oral presentations.

35 c. The health maintenance organization shall provide

1 timely access to all records relating to the claim and to all
2 provisions of the plan or coverage relating to the claim.

3 d. A timely decision made orally or in writing which is
4 binding on the health maintenance organization. The decision
5 shall be described in layperson's language and shall inform
6 the enrollee of any rights to seek further review by the
7 courts or other process.

8 Sec. 3. NEW SECTION. 514B.14B MEDICAL COMMUNICATIONS.

9 1. A health maintenance organization shall not prohibit or
10 restrict a provider from engaging in medical communications
11 with an enrollee.

12 2. For the purposes of this section, "medical
13 communications" means any communication made by a provider
14 with an enrollee regarding any of the following:

15 a. The enrollee's health status, medical care, or
16 treatment options.

17 b. Any utilization review requirements that may affect
18 treatment options for the enrollee.

19 c. Any financial incentives that may affect the treatment
20 of the enrollee.

21 "Medical communications" does not include a communication
22 by a provider with an enrollee if the communication involves a
23 knowing or willful misrepresentation by the provider.

24 EXPLANATION

25 This bill provides certain requirements of and restrictions
26 on health maintenance organizations, notwithstanding the
27 state-imposed federal conformity provision of Code section
28 514C.6. The bill provides that if an enrollee is receiving
29 treatment for a pregnancy and either the health maintenance
30 organization or the issuer of insurance terminate its contract
31 or the provider terminates the provider's contract with the
32 health maintenance organization, the enrollee may choose to
33 continue to receive health care services from the provider
34 through the time of provision of postpartum care directly
35 related to the delivery.

1 The bill also provides that if an enrollee receives
2 emergency health care services, the plan is to cover the costs
3 of the emergency care if the enrollee meets the "prudent
4 layperson standard" for seeking the emergency care,
5 notwithstanding contrary conditions of coverage of the plan.

6 The bill requires health maintenance organizations to
7 provide an external appeal process to address claims that are
8 denied.

9 The bill also prohibits a health maintenance organization
10 from prohibiting or restricting medical communications between
11 a provider and an enrollee. "Medical communications" include
12 communications regarding health status, medical care,
13 treatment options, utilization review requirements that may
14 affect treatment options, and any financial incentives that
15 may affect the treatment of an enrollee.

16 Current law provides for examination of the affairs of a
17 health maintenance organization (HMO) as deemed necessary by
18 the commissioner of insurance and at least every three years;
19 treats HMOs as insurers for the purpose of supervision,
20 prohibition, and liquidation (Code chapter 507C); provides
21 administrative procedures, and judicial review for denying,
22 suspending, or revoking a certificate of authority of an HMO;
23 allows the commissioner of insurance to maintain an action for
24 injunction or other process for violation of an HMO; and
25 provides that if no other penalty applies, a person who
26 violates the HMO chapter is guilty of a simple misdemeanor.

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