

FEB 9 2004

COMMERCE, REGULATION & LABOR

HOUSE FILE 2190
BY CONNORS

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

A BILL FOR

1 An Act prohibiting discrimination by specified insurers, plans,
2 and health maintenance organizations in entering into
3 contracts for participation with health care providers.

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

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HF 2190

1 Section 1. Section 514F.2, Code 2003, is amended to read
2 as follows:

3 514F.2 UTILIZATION AND COST CONTROL.

4 1. Nothing contained in the chapters of Title XIII,
5 subtitle 1, of the Code shall be construed to prohibit or
6 discourage insurers, nonprofit service corporations, health
7 maintenance organizations, or self-insurers for health care
8 benefits to employees from providing payments of benefits or
9 providing care and treatment under capitated payment systems,
10 prospective reimbursement rate systems, utilization control
11 systems, incentive systems for the use of least restrictive
12 and least costly levels of care, preferred provider contracts
13 limiting choice of specific provider, or other systems,
14 methods or organizations designed to contain costs without
15 sacrificing care or treatment outcome, provided these systems
16 do not limit or make optional payment or reimbursement for
17 health care services on a basis solely related to the license
18 under or the practices authorized by chapter 151 or on a basis
19 that is dependent upon a method of classification,
20 categorization, or description based upon differences in
21 terminology used by different licensees under the chapters of
22 Title IV, subtitle 3, of the Code in describing human ailments
23 or their diagnosis or treatment.

24 2. Notwithstanding subsection 1, an insurer, nonprofit
25 service corporation, health maintenance organization, or self-
26 insurer for health care benefits to employees shall not
27 discriminate against any provider who is located within the
28 geographic coverage area of the plan and who is willing to
29 meet the terms and conditions for participation established by
30 the insurer, nonprofit service corporation, health maintenance
31 organization, or self-insurer for health care benefits.

32 EXPLANATION

33 This bill provides that an insurer, nonprofit service
34 corporation, health maintenance organization, or self-insurer
35 for health care benefits to employees shall not be permitted

1 to discriminate against any provider who is located within the
2 geographic coverage area of the plan and who is willing to
3 meet the terms and conditions for participation established by
4 the specified insurer or organization. This provision would
5 constitute a limitation on the provisions of Code section
6 514F.2 regarding cost control measures undertaken by insurers
7 or organizations that involved limiting the number of
8 qualified health care providers with whom the insurer or
9 organization contracted for participation in the plan.

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