

By Senator Latvala

19-365A-99

1 A bill to be entitled
 2 An act relating to health care; amending s.
 3 641.3903, F.S.; providing that certain actions
 4 by a health maintenance organization against a
 5 provider based on the provider's communication
 6 of certain information to a patient are unfair
 7 or deceptive practices; providing procedures
 8 required for the termination or nonrenewal of a
 9 provider contract by a managed care plan;
 10 requiring certain written notice; providing for
 11 hearing by a panel appointed by the managed
 12 care plan; providing for recommendations to and
 13 decisions of the managed care plan; specifying
 14 timeframes; providing an effective date.

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 16 Be It Enacted by the Legislature of the State of Florida:

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 18 Section 1. Subsection (14) is added to section
 19 641.3903, Florida Statutes, to read:

20 641.3903 Unfair methods of competition and unfair or
 21 deceptive acts or practices defined.--The following are
 22 defined as unfair methods of competition and unfair or
 23 deceptive acts or practices:

24 (14) ADVERSE ACTION AGAINST A PROVIDER.--Any of the
 25 following actions by a health maintenance organization against
 26 a provider on the basis that the provider communicated
 27 information to the provider's patient regarding medical care
 28 or treatment options for the patient when the provider deems
 29 knowledge of such information by the patient to be in the best
 30 interest of the patient:

31 (a) Refusal to contract with the provider;

1 (b) Termination of or refusal to renew a contract with
2 a provider;

3 (c) Refusal to compensate the provider for health care
4 services provided to subscribers; or

5 (d) Any other retaliatory action against the provider.

6 Section 2. Termination or nonrenewal of a health care
7 provider contract; notice; hearing.--A managed care plan may
8 not terminate or fail to renew a contract with a health care
9 provider unless the managed care plan provides the health care
10 provider with a written explanation of the reasons for the
11 proposed contract termination or nonrenewal and an opportunity
12 for a review or hearing as provided in this section, except in
13 cases involving imminent harm to patient health or a final
14 disciplinary action by the provider's licensing board or other
15 governmental agency which impairs the health care provider's
16 ability to practice within the jurisdiction.

17 (1) The notice of the proposed contract termination or
18 nonrenewal provided by the managed care plan to the health
19 care provider must include:

20 (a) The reasons for the proposed action.

21 (b) Notice that the health care provider has the right
22 to request a hearing or review, at the provider's discretion,
23 before a panel appointed by the managed care plan.

24 (c) A time limit of not less than 30 days within which
25 a health care provider may request a hearing.

26 (d) A time limit for a hearing, which hearing must be
27 held not less than 30 days nor more than 60 days after the
28 date of receipt of the request for a hearing.

29 (2) If the health care provider requests a hearing,
30 the health care provider must be provided a written notice
31 that states:

- 1 (a) The place, time, and date of the hearing.
2 (b) The names of the witnesses, if any, expected to
3 testify at the hearing on behalf of the managed care plan.
4 (3) The hearing must be conducted by a panel composed
5 of three persons appointed by the managed care plan. At least
6 one person on the panel must be a clinical peer in the same
7 discipline and the same or similar specialty as the health
8 care provider under review. The hearing panel may consist of
9 more than three persons, if the number of clinical peers on
10 the panel constitutes one-third or more of the total
11 membership of the panel.
12 (4) The hearing panel must render a decision on the
13 proposed action in a timely manner, which decision must
14 include the panel's recommendation as to whether the provider
15 contract should be reinstated or renewed by the managed care
16 plan, provisionally reinstated or renewed subject to
17 conditions set forth by the managed care plan, terminated by
18 the managed care plan, or not renewed by the managed care
19 plan. The panel's decision or recommendation must be provided
20 in writing to the governing body of the managed care plan.
21 (5) The governing body of the managed care plan, after
22 considering the decision and recommendation of the panel, must
23 render its decision within 30 days after the issuance of the
24 panel's recommendation. The governing body's decision must
25 include reinstatement or renewal of the health care provider
26 contract by the managed care plan, provisional reinstatement
27 or renewal subject to conditions set forth by the managed care
28 plan, termination of the health care provider contract, or
29 nonrenewal of the health care provider contract.
30 (6) A decision by the governing body of the managed
31 care plan to terminate or nonrenew a contract with a health

1 care provider may not be effective earlier than 30 days after
2 the receipt by the health care provider of the governing
3 body's decision or earlier than 90 days after the health care
4 provider's receipt of the notice of termination or nonrenewal.

5 Section 3. This act shall take effect October 1, 1999.

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8 SENATE SUMMARY

9 Provides that any retaliatory action by a health
10 maintenance organization against a provider based on the
11 provider's communication of such information to a
12 patient, including refusing, terminating, or nonrenewing
13 a contract and refusing compensation for health care
14 services rendered to a subscriber, is an unfair method of
15 competition and an unfair or deceptive act or practice.
16 Requires managed care plans to provide a written
17 explanation of the reasons for the proposed termination
18 or nonrenewal of a provider contract. Specifies contents
19 of such notice. Provides for the provider's right to
20 review by a panel appointed by the managed care plan, and
21 specifies requirements for composition of the panel.
22 Provides for panel recommendations to and decisions by
23 the governing body of the managed care plan. Specifies
24 time limitations for requests for hearing, hearings,
25 decisions by a managed care plan, and termination or
26 nonrenewal of a provider contract.
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