

By Representative Murman

1 A bill to be entitled
2 An act relating to provider contracts; creating
3 s. 626.8812, F.S.; requiring an insurance
4 administrator to pay certain contract provider
5 claims under certain circumstances; providing
6 requirements for administrators in denying
7 claims; requiring contract providers to provide
8 certain information under certain
9 circumstances; specifying conditions of payment
10 of claims; providing for interest on overdue
11 claim payments; requiring payment of claims
12 within a time certain; amending s. 641.31,
13 F.S.; authorizing a subscriber to terminate a
14 health maintenance contract under certain
15 circumstances; limiting certain activities by a
16 health maintenance organization between open
17 enrollment periods; authorizing a health
18 maintenance organization to amend a contract
19 under certain circumstances; amending s.
20 641.315, F.S.; prohibiting certain provisions
21 in contracts between health care providers and
22 health maintenance organizations; providing
23 application; amending s. 641.3155, F.S.;
24 providing application to fiscal intermediary
25 services organizations; providing an effective
26 date.

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

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30 Section 1. Section 626.8812, Florida Statutes, is
31 created to read:

1 626.8812 Provider contracts; payment of claims.--
2 (1)(a) An administrator shall pay any claim or any
3 portion of a claim made by a contract provider for services or
4 goods provided under a contract with the administrator which
5 the administrator does not contest or deny within 35 days
6 after receipt of the claim by the administrator which is
7 mailed or electronically transferred by the provider.

8 (b) An administrator that denies or contests a
9 provider's claim, or any portion of such claim, shall notify
10 the contract provider, in writing, within 35 days after
11 receipt of the claim by the administrator that the claim is
12 contested or denied. The notice that the claim is denied or
13 contested must identify the contested portion of the claim and
14 the specific reason for contesting or denying the claim, and
15 may include a request for additional information. If the
16 administrator requests additional information, the provider
17 shall, within 35 days after receipt of such request, mail or
18 electronically transfer the information to the administrator.
19 The administrator shall pay or deny the claim or portion of
20 the claim within 45 days after receipt of the information.

21 (2) Payment of a claim is considered made on the date
22 the payment was received or electronically transferred or
23 otherwise delivered. An overdue payment of a claim bears
24 simple interest at the rate of 10 percent per year.

25 (3) An administrator shall pay or deny any claim no
26 later than 120 days after receiving the claim.

27 Section 2. Paragraph (a) of subsection (3) and
28 subsection (22) of section 641.31, Florida Statutes, 1998
29 Supplement, are amended, to read:

30 641.31 Health maintenance contracts.--
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1 (3)(a) If a health maintenance organization desires to
2 amend any contract with its subscribers or any certificate or
3 member handbook, or desires to change any rate charged for the
4 contract or to change any basic health maintenance contract,
5 certificate, grievance procedure, or member handbook form, or
6 application form where written application is required and is
7 to be made a part of the contract, or printed amendment,
8 addendum, rider, or endorsement form or form of renewal
9 certificate, it may do so, upon filing with the department the
10 proposed change, amendment, or change in rates. Any proposed
11 change shall be effective immediately, subject to disapproval
12 by the department. Following receipt of notice of such
13 disapproval or withdrawal of approval, no health maintenance
14 organization shall issue or use any form or rate disapproved
15 by the department or as to which the department has withdrawn
16 approval. Any change in the rate requires at least 30 days'
17 advance written notice to the subscriber. In the case of a
18 group member, there may be a contractual agreement with the
19 health maintenance organization to have the employer provide
20 the required notice to the individual members of the group. A
21 subscriber may terminate his or her contract 30 days after
22 providing advance written notice to the health maintenance
23 organization after receiving a written notice from the health
24 maintenance organization of a material change in member
25 benefits, including, but not limited to:
26 1. Termination by the health maintenance organization
27 of the provider contract of the subscriber's primary care
28 physician.
29 2. Termination of the provider contract of any
30 specialist physician with whom the subscriber has an active
31 physician-patient relationship.

1 3. The deletion from the approved formulary of any
2 prescription drug currently prescribed to the subscriber.

3 (22) Each health maintenance organization that offers
4 a group plan within this state must have at least one open
5 enrollment period of not less than 30 days every 18 months.
6 Such open enrollment periods are required for as long as the
7 group exists unless the health maintenance organization and
8 the employer mutually agree to a shorter period of time than
9 18 months. Between open enrollment periods, the health
10 maintenance organization may not delete, amend, limit, or
11 increase the copayment for any of the services to which a
12 subscriber is entitled under the group contract. Upon written
13 notice to the subscriber at least 30 days in advance of the
14 next open enrollment period, the health maintenance
15 organization may amend the contract with its group
16 subscribers, subject to the provisions of subsection (3), with
17 such amendment being effective immediately upon the expiration
18 of the open enrollment period.

19 Section 3. (1) Subsection (9) is added to section
20 641.315, Florida Statutes, to read:

21 641.315 Provider contracts.--

22 (9) A contract between a health maintenance
23 organization and a provider of health care services shall not
24 contain any provision which prohibits or restricts:

25 (a) The health care provider from entering into
26 contract with any other health maintenance organization; or

27 (b) The health maintenance organization from entering
28 into contract with any other health care provider.

29 (2) The amendment to s. 641.315, Florida Statutes, by
30 this act shall apply to contracts renewed or entered into on
31 or after July 1, 1999.

1 Section 4. Subsection (4) is added to section
2 641.3155, Florida Statutes, 1998 Supplement, to read:

3 641.3155 Provider contracts; payment of claims.--

4 (4) This section applies to fiscal intermediary
5 services organizations as defined in s. 641.316.

6 Section 5. This act shall take effect July 1, 1999.

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9 HOUSE SUMMARY

10 Provides conditions and requirements for payment of
11 claims under provider contracts. Authorizes a subscriber
12 to terminate a health maintenance contract after a health
13 maintenance organization makes material changes to member
14 benefits. Limits activities by a health maintenance
15 organization between open enrollment periods. Authorizes
16 a health maintenance organization to amend a contract
17 after advance notice. Prohibits provisions in contracts
18 between health care providers and health maintenance
19 organizations that prohibit or restrict the health care
20 provider from entering into contract with any other
21 health maintenance organization or the health maintenance
22 organization from entering into contract with any other
23 health care provider. Applies provider contract claim
24 payment requirements to fiscal intermediary services
25 organization.
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