

By the Committee on Health, Aging, and Long-Term Care; and  
 Senator Campbell

317-971-04

1                                   A bill to be entitled  
 2           An act relating to the provision of health care  
 3           services; specifying conditions under which a  
 4           health care provider must be permitted to  
 5           participate as a service provider under a  
 6           health plan offered by a managed care  
 7           organization; defining the term "managed care  
 8           organization"; requiring that a health care  
 9           provider be reimbursed for providing services  
 10          under specified conditions; providing for civil  
 11          penalties; amending s. 627.419, F.S.; providing  
 12          for construction of policies; providing for  
 13          application; providing an effective date.

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

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 17           Section 1. Health care provider as an authorized  
 18 service provider; penalties.--

19           (1) A managed care organization must allow any health  
 20 care provider to participate as a service provider under a  
 21 health plan offered by the managed care organization if the  
 22 health care provider agrees to:

23           (a) Accept the reimbursement rates negotiated by the  
 24 managed care organization with other health care providers  
 25 that provide the same service under the health plan; and

26           (b) Comply with all guidelines relating to quality of  
 27 care and utilization criteria which must be met by other  
 28 employee or nonemployee providers.

29           (2) A managed care organization must reimburse any  
 30 health care provider rendering services under the health plan  
 31 if the health care provider accepts the managed care

1 organization's reimbursement rates and has complied with the  
2 guidelines for quality of care and utilization criteria.

3 (3) As used in this section, the term "managed care  
4 organization" means a health maintenance organization or  
5 prepaid health clinic certified under chapter 641, Florida  
6 Statutes, a health insurer that issues an exclusive provider  
7 organization policy under section 627.6472 or section  
8 627.662(9), Florida Statutes, or a health insurer that issues  
9 a preferred provider organization policy under section  
10 627.6471 or section 627.662(8), Florida Statutes.

11 (4) A managed care organization that violates  
12 subsection (1) or subsection (2) is subject to a civil fine in  
13 the amount of:

14 (a) Up to \$25,000 for each violation; or

15 (b) If the Secretary of Health Care Administration  
16 determines that the entity has engaged in a pattern of  
17 violations of subsection (1) or subsection (2), up to \$100,000  
18 for each violation.

19 Section 2. Subsection (10) is added to section  
20 627.419, Florida Statutes, to read:

21 627.419 Construction of policies.--

22 (10)(a) Any health insurance policy, health care  
23 services plan, or other contract that provides for payment for  
24 medical expense benefits or procedures must allow any health  
25 care provider to participate as a service provider under a  
26 health plan offered by the health insurance policy, health  
27 care services plan, or other contract that provides for  
28 payment for medical expense benefits or procedures if the  
29 health care provider agrees to:

30 1. Accept the reimbursement rates negotiated by the  
31 health insurance policy, health care services plan, or other

1 contract that provides for payment for medical expense  
2 benefits or procedures with other health care providers that  
3 provide the same service under the health plan; and

4 2. Comply with all guidelines relating to quality of  
5 care and utilization criteria which must be met by other  
6 providers with whom the health insurance policy, health care  
7 services plan, or other contract that provides for payment for  
8 medical expense benefits or procedures has contractual  
9 arrangements for those services.

10 (b) A provider of a health insurance policy, health  
11 care services plan, or other contract to pay for medical  
12 expense benefits must reimburse any health care provider  
13 rendering services under the health plan if the health care  
14 provider accepts the provider's reimbursement rates and the  
15 health care provider has complied with the guidelines for  
16 quality of care and utilization criteria.

17 (c) The provider of any health insurance policy,  
18 health care services plan, or other contract that violates  
19 paragraph (a) or paragraph (b) is subject to a civil fine in  
20 the amount of:

21 1. Up to \$25,000 for each violation; or

22 2. If the Office of Insurance Regulation determines  
23 that the provider has engaged in a pattern of violations of  
24 paragraph (a) or paragraph (b), up to \$100,000 for each  
25 violation.

26 Section 3. Sections 1 and 2 of this act do not apply  
27 to any health insurance policy that is in force before the  
28 effective date of this act but do apply to such policies at  
29 the next renewal period immediately following October 1, 2004.

30 Section 4. This act shall take effect October 1, 2004.

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
Senate Bill 312

The committee substitute corrects a statutory reference and corrects the titles of the Secretary of Health Care Administration and Office of Insurance Regulation.