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

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

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

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

(a) Accept the reimbursement rates negotiated by the
 managed care organization with other health care providers that
 provide the same service under the health plan.

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

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

29 health care provider accepts the managed care organization's
 30 reimbursement rates and has complied with the guidelines for
 31 quality of care and utilization criteria.

32 (3) As used in this section, the term "managed care
 33 organization" means a health maintenance organization or prepaid
 34 health clinic certified under chapter 641, Florida Statutes, a
 35 health insurer that issues an exclusive provider organization
 36 policy under s. 627.6472 or s. 627.662(9), Florida Statutes, or
 37 a health insurer that issues a preferred provider organization
 38 policy under s. 627.6471 or s. 627.662(8), Florida Statutes.

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

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

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

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

49 627.419 Construction of policies.--

50 (10)(a) Any health insurance policy, health care services
 51 plan, or other contract that provides for payment for medical
 52 expense benefits or procedures must allow any health care
 53 provider to participate as a service provider under a health
 54 plan offered by the health insurance policy, health care
 55 services plan, or other contract that provides for payment for
 56 medical expense benefits or procedures if the health care

57 provider agrees to:

58 1. Accept the reimbursement rates negotiated by the health
 59 insurance policy, health care services plan, or other contract
 60 that provides for payment for medical expense benefits or
 61 procedures with other health care providers that provide the
 62 same service under the health plan.

63 2. Comply with all guidelines relating to quality of care
 64 and utilization criteria which must be met by other providers
 65 with whom the health insurance policy, health care services
 66 plan, or other contract that provides for payment for medical
 67 expense benefits or procedures has contractual arrangements for
 68 those services.

69 (b) A provider of a health insurance policy, health care
 70 services plan, or other contract to pay for medical expense
 71 benefits must reimburse any health care provider rendering
 72 services under the health plan if the health care provider
 73 accepts the provider's reimbursement rates and the health care
 74 provider has complied with the guidelines for quality of care
 75 and utilization criteria.

76 (c) The provider of any health insurance policy, health
 77 care services plan, or other contract that violates paragraph
 78 (a) or paragraph (b) is subject to a civil fine in the amount
 79 of:

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

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

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84 Section 3. Sections 1 and 2 of this act do not apply to
85 any health insurance policy that is in force before October 1,
86 2005, but do apply to such policies at the next renewal period
87 immediately following October 1, 2005.

88 Section 4. This act shall take effect October 1, 2005.