

By Senator Campbell

32-568-05

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.

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 October
28 1, 2005, but do apply to such policies at the next renewal
29 period immediately following October 1, 2005.

30 Section 4. This act shall take effect October 1, 2005.
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SENATE SUMMARY

Requires that a health care provider be permitted by a managed care organization to participate as a service provider if the provider agrees to accept the reimbursement rates for the health plan and comply with certain guidelines. Requires a provider to reimburse a health care provider who complies with specified conditions. Provides civil penalties for failure to comply with the act.