

## HOUSE MESSAGE SUMMARY

BILL: CS/SB 2554, 2nd Eng. [S2554.HMS]  
SPONSOR: Banking and Insurance Committee and Senator King  
SUBJECT: Insurance Contracts  
PREPARED BY: Senate Committee on Banking and Insurance  
DATE: April 29, 1999

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### I. Amendments Contained in Message

**House Amendment 1 - 043759** (body with title)

**House Amendment 2 - 362163** (body)

### II. Summary of Amendments Contained in Message

**House Amendment 1** deletes three sections (6, 7, and 8) of the bill which deal with health maintenance organization (HMO) contracts, provider contracts, and the payment of claims. The deleted sections provide that no HMO contract shall prevent a subscriber from continuing to receive services from the subscriber's contracted primary care physician or contracted admitting physician during an inpatient stay (at a hospital), and provided that a HMO shall not deny payment to a contract primary care physician or contract admitting physician for inpatient hospital services provided by the contracted physician to the subscriber.

**NOTE:** there is a technical error with the amendment: The bill deletes language beginning on "page 6, line 25," which should instead read "page 6, line 23." However, if adopted, the error would not have any substantive effect.

**House Amendment 2** inserts the word "commercial" to modify the term "contract" as it relates to a contract between a HMO and a health care provider. The effect of the amendment is that a contract between a HMO and a health care provider may not contain a provision which prohibits or restricts either the HMO or the provider from entering into a "commercial" contract with another provider or HMO, respectively. The term "commercial" is not defined, but would appear to exclude a Medicare and Medicaid HMO contracts.