

By the Committee on Banking and Insurance; and Senator King

311-2187-99

1                                   A bill to be entitled  
 2           An act relating to health maintenance  
 3           contracts; amending s. 626.883, F.S.; requiring  
 4           that certain information be included with the  
 5           payments made by a fiscal intermediary to a  
 6           health care provider; amending s. 641.31, F.S.,  
 7           relating to health maintenance contracts;  
 8           requiring a health maintenance organization to  
 9           provide notice prior to increasing the  
 10          copayments or limiting any benefits under a  
 11          group contract; requiring certain health  
 12          maintenance contracts to cover persons licensed  
 13          to practice massage under certain  
 14          circumstances; amending s. 641.315, F.S.;  
 15          providing that a contract between a health  
 16          maintenance organization and a health care  
 17          provider may not restrict the provider from  
 18          entering into a contract with any other health  
 19          maintenance organizations and may not restrict  
 20          the health maintenance organization from  
 21          entering into a contract with any other  
 22          provider; amending s. 641.316, F.S.; requiring  
 23          that certain information be included with the  
 24          payments made by a fiscal intermediary to a  
 25          health care provider; providing for  
 26          applicability; providing an effective date.

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

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 30           Section 1. Subsection (6) is added to section 626.883,  
 31 Florida Statutes, to read:

1           626.883 Administrator as intermediary; collections  
2 held in fiduciary capacity; establishment of account;  
3 disbursement; payments on behalf of insurer.--

4           (6) All payments to a health care provider by a fiscal  
5 intermediary for noncapitated providers must include an  
6 explanation of services being reimbursed which includes, at a  
7 minimum, the patient's name, the date of service, the  
8 procedure code, the amount of reimbursement, and the  
9 identification of the plan on whose behalf the payment is  
10 being made. For capitated providers, the statement of services  
11 must include the number of patients covered by the contract,  
12 the rate per patient, the total amount of the payment, and the  
13 identification of the plan on whose behalf the payment is  
14 being made.

15           Section 2. Subsections (36) and (37) are added to  
16 section 641.31, Florida Statutes, 1998 Supplement, to read:

17           641.31 Health maintenance contracts.--

18           (36) A health maintenance organization may increase  
19 the copayment for any benefit, or delete, amend, or limit any  
20 of the benefits to which a subscriber is entitled under the  
21 group contract, upon written notice to the contract holder at  
22 least 45 days in advance of the time of coverage renewal. The  
23 health maintenance organization may amend the contract with  
24 the contract holder, with such amendment to be effective  
25 immediately at the time of coverage renewal. The written  
26 notice to the contract holder shall specifically identify any  
27 deletions, amendments, or limitations to any of the benefits  
28 provided in the group contract during the current contract  
29 period which will be included in the group contract upon  
30 renewal. This subsection does not apply to any increases in  
31 benefits.

1           (37) All health maintenance contracts that provide  
2 coverage for massage must also cover the services of persons  
3 licensed to practice massage pursuant to chapter 480 if the  
4 massage is prescribed by a physician licensed under chapter  
5 458, chapter 459, chapter 460, or chapter 461 as medically  
6 necessary and the prescription specifies the number of  
7 treatments. Such massage services are subject to the same  
8 terms, conditions, and limitations as those of other  
9 providers.

10           Section 3. Subsection (9) is added to section 641.315,  
11 Florida Statutes, to read:

12           641.315 Provider contracts.--

13           (9) A contract between a health maintenance  
14 organization and a provider of health care services may not  
15 contain any provision that in any way prohibits or restricts:

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

18           (b) The health maintenance organization from entering  
19 into a contract with any other health care provider.

20           Section 4. Paragraph (a) of subsection (2) of section  
21 641.316, Florida Statutes, 1998 Supplement, is amended to  
22 read:

23           641.316 Fiscal intermediary services.--

24           (2)(a) The term "fiduciary" or "fiscal intermediary  
25 services" means reimbursements received or collected on behalf  
26 of health care professionals for services rendered, patient  
27 and provider accounting, financial reporting and auditing,  
28 receipts and collections management, compensation and  
29 reimbursement disbursement services, or other related  
30 fiduciary services pursuant to health care professional  
31 contracts with health maintenance organizations. All payments

1 to a health care provider by a fiscal intermediary for  
2 noncapitated providers must include an explanation of services  
3 being reimbursed which includes, at a minimum, the patient's  
4 name, the date of service, the procedure code, the amount of  
5 reimbursement, and the identification of the plan on whose  
6 behalf the payment is being made. For capitated providers, the  
7 statement of services must include the number of patients  
8 covered by the contract, the rate per patient, the total  
9 amount of the payment, and the identification of the plan on  
10 whose behalf the payment is being made.

11 (b) The term "fiscal intermediary services  
12 organization" means a person or entity which performs  
13 fiduciary or fiscal intermediary services to health care  
14 professionals who contract with health maintenance  
15 organizations other than a fiscal intermediary services  
16 organization owned, operated, or controlled by a hospital  
17 licensed under chapter 395, an insurer licensed under chapter  
18 624, a third-party administrator licensed under chapter 626, a  
19 prepaid limited health service organization licensed under  
20 chapter 636, a health maintenance organization licensed under  
21 this chapter, or physician group practices as defined in s.  
22 455.654(3)(f).

23 Section 5. This act shall take effect July 1, 1999,  
24 and shall apply to all contracts renewed or entered into on or  
25 after that date.

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
Senate Bill 2554

1. Removes the requirement that insurance administrators and fiscal intermediaries provide prompt payment to health care providers and inserts provisions that mandate payments by fiscal intermediaries to capitated and noncapitated health care providers to include certain specified information.
2. Removes the provision allowing subscribers to terminate their health maintenance organization (HMO) contracts under certain circumstances. Allows benefits to which a subscriber is entitled under a group contract, subject to written notice to the contract holder at least 45 days in advance of the time of coverage renewal. This provision does not apply to increases in benefits by the HMO.
3. Provides that HMO contracts providing for massage must also cover the services of persons licensed to practice massage under certain circumstances.