

CHAPTER 238

INSURANCE

SENATE BILL 00-148

BY SENATORS Evans, Chlouber, Dennis, Dyer, Epps, Hillman, Musgrave, Owen, and Pascoe;
also REPRESENTATIVES McPherson and Tochtrop.

AN ACT

CONCERNING THE PROHIBITION OF CERTAIN TYPES OF PROVISIONS IN CONTRACTS BETWEEN HEALTH
INSURANCE CARRIERS AND HEALTH CARE PROVIDERS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds, determines, and declares that:

(a) The services performed by health care providers are essential to the continued health of the citizens of Colorado;

(b) Health care providers not only diagnose, treat, and cure individual patients, but also contribute economically to the community;

(c) The ability of health care providers to meet the needs of their patients and serve the community is artificially stifled by provisions in managed care contracts, motivated by purely financial concerns, that restrict the providers' freedom to offer and provide their services as needed in the marketplace; and

(d) Agreements between health care providers and insurance carriers that affect a health care provider's ability to refer patients to specialists who provide necessary and beneficial treatment hinders the effectiveness of health care providers. Therefore, the general assembly declares that financial disincentives or the withholding of full compensation to a health care provider because of the number or type of referrals made by the health care provider to a specialist do not serve the interests of the insureds of this state and should be eliminated.

SECTION 2. 10-16-121 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

10-16-121. Required contract provisions in contracts between carriers and providers. (1) A contract between a carrier and a provider or its representative concerning the delivery, provision, payment, or offering of care or services covered by a managed care plan shall make provisions for the following requirements:

(d) THE CONTRACT SHALL CONTAIN A PROVISION THAT THE PROVIDER SHALL NOT BE SUBJECT TO FINANCIAL DISINCENTIVES BASED ON THE NUMBER OF REFERRALS MADE TO PARTICIPATING PROVIDERS IN THE HEALTH PLAN FOR COVERED BENEFITS SO LONG AS THE PROVIDER MAKING THE REFERRAL ADHERES TO THE CARRIER'S OR THE CARRIER'S INTERMEDIARY'S UTILIZATION REVIEW POLICIES AND PROCEDURES.

SECTION 3. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to all contracts between providers and carriers executed on or after the applicable effective date of this act.

Approved: May 26, 2000