

SENATE BILL NO. 256

INTRODUCED BY GAGE, LYNCH

IN THE SENATE

FEBRUARY 1, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON BUSINESS & INDUSTRY.

 FIRST READING.

FEBRUARY 18, 1991 COMMITTEE RECOMMEND BILL
 DO PASS. REPORT ADOPTED.

FEBRUARY 19, 1991 PRINTING REPORT.

 SECOND READING, DO PASS.

FEBRUARY 20, 1991 ENGROSSING REPORT.

 THIRD READING, PASSED.
 AYES, 38; NOES, 12.

 TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 4, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON HUMAN SERVICES & AGING.

 FIRST READING.

MARCH 23, 1991 COMMITTEE RECOMMEND BILL BE
 CONCURRED IN. REPORT ADOPTED.

APRIL 5, 1991 SECOND READING, CONCURRED IN.

APRIL 6, 1991 THIRD READING, CONCURRED IN.
 AYES, 82; NOES, 14.

 RETURNED TO SENATE.

IN THE SENATE

APRIL 9, 1991 RECEIVED FROM HOUSE.

 SENT TO ENROLLING.

APRIL 10, 1991 REPORTED CORRECTLY ENROLLED.

APRIL 11, 1991 SIGNED BY PRESIDENT.

IN THE HOUSE

APRIL 12, 1991

SIGNED BY SPEAKER.

IN THE SENATE

APRIL 12, 1991

DELIVERED TO GOVERNOR.

APRIL 17, 1991

RETURNED FROM GOVERNOR WITH
RECOMMENDED AMENDMENTS.

APRIL 18, 1991

SECOND READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

APRIL 19, 1991

THIRD READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

TRANSMITTED TO HOUSE.

IN THE HOUSE

APRIL 22, 1991

SECOND READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

IN THE SENATE

APRIL 22, 1991

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 256
 2 INTRODUCED BY Rep. Lynch
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE PREFERRED
 5 PROVIDER AGREEMENTS ACT TO REQUIRE HEALTH CARE INSURERS TO
 6 ENTER INTO PREFERRED PROVIDER AGREEMENTS WITH ALL HEALTH
 7 CARE PROVIDERS WILLING TO PROVIDE HEALTH CARE SERVICES UNDER
 8 A PREFERRED PROVIDER AGREEMENT; AMENDING SECTION 33-22-1704,
 9 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 33-22-1704, MCA, is amended to read:

13 **"33-22-1704. Preferred provider agreements authorized.**

14 (1) Notwithstanding any other provision of law to the
 15 contrary, a health care insurer may:

16 (a) enter into agreements with providers relating to
 17 health care services that may be rendered to insureds or
 18 subscribers on whose behalf the health care insurer is
 19 providing health care coverage, including preferred provider
 20 agreements relating to:

21 (i) the amounts an insured may be charged for services
 22 rendered; and

23 (ii) the amount and manner of payment to the provider;

24 and

25 (b) issue or administer policies or subscriber

1 contracts in this state that include incentives for the
 2 insured to use the services of a provider that has entered
 3 into an agreement with the insurer pursuant to subsection
 4 (1)(a).

5 (2) A health care insurer shall establish terms and
 6 conditions to be met by providers wishing to enter into an
 7 agreement with the health care insurer under subsection
 8 (1)(a). These terms and conditions may not discriminate
 9 against or among providers. For the purposes of this
 10 subsection, price differences among hospitals or other
 11 institutional providers produced by a process of individual
 12 negotiation or by price differences among different
 13 geographical areas or different specialties do not
 14 constitute discrimination. A health care insurer may not
 15 deny a provider the right to enter into an agreement under
 16 subsection (1)(a) if the provider is willing to meet the
 17 terms and conditions established in that agreement.

18 ~~(2)~~(3) A preferred provider agreement issued or
 19 delivered in this state may not unfairly deny health
 20 benefits for health care services covered.

21 ~~(3)--This--part--does--not--require--that--an--insurer~~
 22 ~~negotiate--or--enter--into--agreements--with--any--specific~~
 23 ~~provider--or--class--of--providers."~~

24 NEW SECTION. Section 2. Effective date. [This act] is
 25 effective on passage and approval.



APPROVED BY COMM. ON BUSINESS & INDUSTRY

1 INTRODUCED BY Sen. Spence BILL NO. 256
2 Rep. Spence
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE PREFERRED
5 PROVIDER AGREEMENTS ACT TO REQUIRE HEALTH CARE INSURERS TO
6 ENTER INTO PREFERRED PROVIDER AGREEMENTS WITH ALL HEALTH
7 CARE PROVIDERS WILLING TO PROVIDE HEALTH CARE SERVICES UNDER
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12 negotiation or by price differences among different
13 geographical areas or different specialties do not
14 constitute discrimination. A health care insurer may not
15 deny a provider the right to enter into an agreement under
16 subsection (1)(a) if the provider is willing to meet the
17 terms and conditions established in that agreement.

18 ~~(2)(3)~~ A preferred provider agreement issued or
19 delivered in this state may not unfairly deny health
20 benefits for health care services covered.

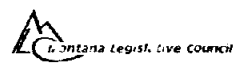
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24 NEW SECTION. Section 2. Effective date. [This act] is
25 effective on passage and approval.

-End-
-2-

SECOND READING

SB 256



1 Senate BILL NO. 256
2 INTRODUCED BY Rep. Spuck
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE PREFERRED
5 PROVIDER AGREEMENTS ACT TO REQUIRE HEALTH CARE INSURERS TO
6 ENTER INTO PREFERRED PROVIDER AGREEMENTS WITH ALL HEALTH
7 CARE PROVIDERS WILLING TO PROVIDE HEALTH CARE SERVICES UNDER
8 A PREFERRED PROVIDER AGREEMENT; AMENDING SECTION 33-22-1704,
9 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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14 constitute discrimination. A health care insurer may not
15 deny a provider the right to enter into an agreement under
16 subsection (1)(a) if the provider is willing to meet the
17 terms and conditions established in that agreement.

18 (3) A preferred provider agreement issued or
19 delivered in this state may not unfairly deny health
20 benefits for health care services covered.

21 ~~(3)--This--part--does--not--require--that--an--insurer~~
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24 NEW SECTION. Section 2. Effective date. [This act] is
25 effective on passage and approval.

-End-
-2-

THIRD READING

SB 256



1 SENATE BILL NO. 256

2 INTRODUCED BY GAGE, LYNCH

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE PREFERRED
5 PROVIDER AGREEMENTS ACT TO REQUIRE HEALTH CARE INSURERS TO
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9 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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22 rendered; and23 (ii) the amount and manner of payment to the provider;
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1 contracts in this state that include incentives for the
2 insured to use the services of a provider that has entered
3 into an agreement with the insurer pursuant to subsection
4 (1)(a).

5 (2) A health care insurer shall establish terms and
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8 (1)(a). These terms and conditions may not discriminate
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14 constitute discrimination. A health care insurer may not
15 deny a provider the right to enter into an agreement under
16 subsection (1)(a) if the provider is willing to meet the
17 terms and conditions established in that agreement.

18 ~~(2)(3)~~ A preferred provider agreement issued or
19 delivered in this state may not unfairly deny health
20 benefits for health care services covered.

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23 ~~provider-or-class-of-providers--"~~

24 NEW SECTION. Section 2. Effective date. [This act] is
25 effective on passage and approval.

-End-

-2-

GOVERNOR'S AMENDMENTS
TO HOUSE BILL 256
(REFERENCE COPY, AS AMENDED)
MARCH 19, 1991

1. Page 2, line 22
Strike: "1.9%"
Insert: "1.85%"

GOVERNOR'S AMENDMENTS TO
SENATE BILL 256
(REFERENCE COPY, AS AMENDED)
April 17, 1991

1. Page 2, following line 25
Insert: "NEW SECTION. SECTION 3. Termination. [This Act]
terminates July 1, 1993."

Gov. Amend.
SB 256

SENATE BILL NO. 256
INTRODUCED BY GAGE, LYNCH

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE PREFERRED PROVIDER AGREEMENTS ACT TO REQUIRE HEALTH CARE INSURERS TO ENTER INTO PREFERRED PROVIDER AGREEMENTS WITH ALL HEALTH CARE PROVIDERS WILLING TO PROVIDE HEALTH CARE SERVICES UNDER A PREFERRED PROVIDER AGREEMENT; AMENDING SECTION 33-22-1704, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-22-1704, MCA, is amended to read:

"33-22-1704. Preferred provider agreements authorized.

(1) Notwithstanding any other provision of law to the contrary, a health care insurer may:

(a) enter into agreements with providers relating to health care services that may be rendered to insureds or subscribers on whose behalf the health care insurer is providing health care coverage, including preferred provider agreements relating to:

(i) the amounts an insured may be charged for services rendered; and

(ii) the amount and manner of payment to the provider; and

(b) issue or administer policies or subscriber contracts in this state that include incentives for the insured to use the services of a provider that has entered into an agreement with the insurer pursuant to subsection (1)(a).

(2) A health care insurer shall establish terms and conditions to be met by providers wishing to enter into an agreement with the health care insurer under subsection (1)(a). These terms and conditions may not discriminate against or among providers. For the purposes of this subsection, price differences among hospitals or other institutional providers produced by a process of individual negotiation or by price differences among different geographical areas or different specialties do not constitute discrimination. A health care insurer may not deny a provider the right to enter into an agreement under subsection (1)(a) if the provider is willing to meet the terms and conditions established in that agreement.

~~(2)(3)~~ A preferred provider agreement issued or delivered in this state may not unfairly deny health benefits for health care services covered.

~~(3)---This---part---does---not---require---that---an---insurer negotiate---or---enter---into---agreements---with---any---specific provider-or-class-of-providers---~~

NEW SECTION. **Section 2.** Effective date. [This act] is



SB 0256/03

1 effective on passage and approval.

2 NEW SECTION. Section 3. Termination. [This act]

3 terminates July 1, 1993.

-End-