

2011 -- H 6116

=====
LC02559
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO INSURANCE - CONTRACT WITH HEALTHCARE PROVIDERS

Introduced By: Representatives Walsh, Kennedy, Lally, Tanzi, and Azzinaro

Date Introduced: May 05, 2011

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-20.9 of the General Laws entitled "Contract With Health Care
2 Providers" is hereby amended by adding thereto the following section:

3 **27-20.9-4. Maximum payment obligation.** -- (a) Effective January 1, 2012, any
4 contract that includes a rate of payment for a service that exceeds a percentage, to be established
5 annually by the health insurance commissioner in accordance with section 40-8-13, of the rate
6 paid for the same service by Medicare shall be presumptively disapproved. The commissioner
7 shall conduct a public hearing on any contract that is presumptively disapproved and will
8 approve, disapprove, or modify the contract based on its findings following the hearing.

9 (b) In the negotiation of a health care contract, an insurer and a hospital shall consider
10 only those factors and methodologies established pursuant to section 40-8-13.3 and section 40-8-
11 13.4, for the negotiation of payment rates to hospitals by the department of human services and
12 Medicare.

13 (c) As used in this section, unless the context otherwise requires:

14 (1) "Healthcare contract" means a contract entered into or renewed between a health
15 insurer and a health care provider or hospital for the delivery of health care services to others.

16 (2) "Healthcare provider" means a person licensed or certified in this state to practice
17 medicine, pharmacy, chiropractic, nursing, physical therapy, podiatry, dentistry, optometry,
18 occupational therapy, or other healing arts.

19 (3) "Health insurer" means every nonprofit medical service corporation, hospital service

1 corporation, health maintenance organization, or other insurer offering and/or insuring health
2 services; the term shall in addition include any entity defined as an insurer under section 42-62-4
3 and any third-party administrator when interacting with health care providers and enrollees on
4 behalf of such an insurer.

5 (4) "Hospital" means a person or governmental entity licensed in accordance with this
6 chapter to establish, maintain and operate a hospital.

7 SECTION 2. This act shall take effect upon passage.

=====
LC02559
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE - CONTRACT WITH HEALTHCARE PROVIDERS

1 This act would provide that any contract that includes a rate of payment for a service that
2 exceeds a percentage, to be established annually by the health insurance commissioner, of the rate
3 paid for the same service by Medicare shall be presumptively disapproved.

4 This act would take effect upon passage.

=====
LC02559
=====