

2016 Regular Session

HOUSE BILL NO. 705

BY REPRESENTATIVE BROADWATER

INSURANCE/HEALTH: Prohibits certain contractual provisions in provider contracts with health insurance issuers

1 AN ACT

2 To enact R.S. 22:1008.1, relative to health insurers; to provide for provider contracts; to
3 provide for certain prohibited clauses in provider contracts; to provide for
4 definitions; to provide that a health insurer may not require as a condition of contract
5 that a healthcare provider provide healthcare services under all plans offered by the
6 insurer; to provide that a health insurer may not terminate a healthcare provider when
7 the provider refuses to provide certain services; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1008.1 is hereby enacted to read as follows:

10 §1008.1. Health and accident policy provisions; provider contracts; prohibited
11 contract clauses

12 A. As used in this Section, the following definitions apply:

13 (1) "Healthcare provider" means any physician, hospital, or other person,
14 organization, institution, or group of persons licensed or otherwise authorized in this
15 state to furnish healthcare services.

16 (2) "Health insurance issuer" means any entity that offers health insurance
17 coverage through a policy or certificate of insurance subject to state law that
18 regulates the business of insurance. For purposes of this Section, a "health insurance
19 issuer" shall include a health maintenance organization, as defined and licensed
20 pursuant to Subpart I of Part I of Chapter 2 of this Title, and nonfederal government

1 plans subject to the provisions of Subpart B of Part II of Chapter 6 of this Title,
2 including the Office of Group Benefits.

3 (3) "Health insurance plan" means any hospital and medical expense incurred
4 policy, non-profit healthcare service plan contract, health maintenance organization
5 subscriber contract or any other healthcare plan, policy, coverage or arrangement
6 offered by a health insurance issuer that pays for or furnishes medical or healthcare
7 services, whether by insurance or otherwise, offered in this state.

8 (4) "Network of providers" or "network" means an entity other than a health
9 insurance issuer that, through contracts with healthcare providers, provides or
10 arranges for access by groups of covered persons to covered healthcare services by
11 healthcare providers who are not otherwise or individually contracted directly with
12 a health insurance issuer.

13 B. (1) No health insurance issuer shall require, as a condition of contracting
14 with the health insurance issuer, that a healthcare provider provide healthcare
15 services under all health plans offered or sponsored by, or affiliated with, the health
16 insurance issuer, or to participate in all provider network arrangements offered or
17 sponsored by, or affiliated with, the health insurance issuer.

18 (2) No health insurance issuer shall require, as a condition of contracting with
19 the health insurance issuer, that a healthcare provider furnish healthcare services
20 under any health plans offered or sponsored by, or affiliated with, the health
21 insurance issuer, to which the healthcare provider did not agree to provide such
22 services under the health plans on the date when the healthcare provider initially
23 entered into a contract with the health insurance issuer.

24 (3) No health insurance issuer shall require, as a condition of contracting with
25 the health insurance issuer, that a healthcare provider participate in any provider
26 network arrangement in which the healthcare provider did not agree to participate on
27 the date when the healthcare provider initially entered into a contract with the health
28 insurance issuer.

1 C.(1) A health insurance issuer may not terminate any contractual
2 relationship with a healthcare provider because the healthcare provider did not agree
3 to participate in a provider network arrangement in which the physician or other
4 healthcare provider was not offered to participate on the date when the healthcare
5 provider initially entered into a contract with the health insurance issuer.

6 (2) A health insurance issuer may not terminate any contractual relationship
7 with a healthcare provider because the healthcare provider did not agree to furnish
8 healthcare services under a health plan, where the healthcare provider did not agree
9 to furnish services under the health plan on the date when the healthcare provider
10 initially entered into a contract with the health insurance issuer.

11 D. The provisions of this Section may not be waived by contract, and any
12 contractual arrangements in conflict with the provisions of this Section or that
13 purport to waive any requirements of this Section are null and void as against public
14 policy.

15 Section 2. This Act shall become effective upon signature by the governor or, if not
16 signed by the governor, upon expiration of the time for bills to become law without signature
17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
18 vetoed by the governor and subsequently approved by the legislature, this Act shall become
19 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 705 Original

2016 Regular Session

Broadwater

Abstract: Prohibits health insurers from terminating providers from their network because the provider refuses to participate in all health plans and provider networks offered by the insurer, or requiring a provider to participate in all health plans offered by the insurer as a condition of the provider contracting with the insurer.

Proposed law defines certain terms.

Proposed law prohibits health insurance companies from terminating a contractual relationship with a provider because the provider refuses to participate in all healthcare plans and provider networks offered by the insurer.

Proposed law prohibits health insurance companies from requiring providers agree to participate in all healthcare plans and provider networks offered by the insurer as a condition of the provider entering a contractual relationship with the insurer.

Proposed law prohibits the waiver of proposed law by contract or any contractual arrangements.

(Adds 22:1008.1)