

2016 Regular Session

HOUSE BILL NO. 1140 (Substitute for House Bill No. 705 by Representative Broadwater)

BY REPRESENTATIVE BROADWATER

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

1 AN ACT

2 To amend and reenact R.S. 22:1007(J) and to enact R.S. 22:1007(K), relative to managed

3 care organizations; to provide for certain prohibited clauses in provider contracts; to

4 provide that a managed care organization may not require as a condition of contract

5 that a healthcare provider provide healthcare services under all health benefit plans

6 offered by the managed care organization; to provide that a managed care

7 organization may not terminate a healthcare provider when the provider refuses to

8 provide certain services; to provide an exception for out-of-state services; and to

9 provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 22:1007(J) is hereby amended and reenacted and R.S. 22:1007(K)

12 is hereby enacted to read as follows:

13 §1007. Requirements of provider contracts; communications

14 \* \* \*

15 J.(1) A managed care organization that offers coverage for healthcare

16 services through one or more managed care plans shall not require a provider, as a

17 condition of participation or continuation in the provider network of one or more

18 health benefit plans of the managed care organization, to serve in the provider

19 network of all or additional health benefit plans of the managed care organization.

1        A managed care organization is prohibited from terminating a provider agreement  
2        based on the provider's refusal to serve in its network for such additional plans.

3                (2) Nothing in this Subsection shall prohibit a managed care organization  
4        from enabling its affiliated members from other states to obtain healthcare service  
5        benefits while traveling or living in the managed care organization's service area  
6        including extending the provisions of the provider contract to provide for such  
7        services.

8                K. Any contract provision, written policy, or written procedure in violation  
9        of this Section shall be deemed to be unenforceable and null and void.

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 1140 Original

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Broadwater

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

Present law regulates the terms and provisions of contracts between healthcare providers and managed care organizations. Proposed law additionally prohibits managed care organizations from terminating a contractual relationship with a provider due to the provider refusing to participate in all healthcare plans and provider networks offered by the insurer.

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

Proposed law provides an exception for insureds from other states traveling in Louisiana.

(Amends R.S. 22:1007(J); Adds R.S. 22:1007(K))