

PRIVATELY OWNED HEALTH CARE ORGANIZATION TASK FORCE

2005 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael G. Waddoups

House Sponsor: Rebecca D. Lockhart

D. Chris Buttaras
Gene Davis
Mike Dmitrich
Dan R. Eastman
Beverly Ann Evans

Thomas V. Hatch
Parley G. Hellewell
Scott K. Jenkins
Sheldon L. Killpack
Peter C. Knudson

Mark B. Madsen
Ed Mayne
Darin G. Peterson
Howard A. Stephenson
David L. Thomas

LONG TITLE

General Description:

This bill creates the Privately Owned Health Care Organization Task Force.

Highlighted Provisions:

This bill:

- ▶ establishes a legislative task force to study:
 - market penetration, geographic distribution, and contracting arrangements of integrated health care systems in the health insurance and health care markets in the state;
 - the impact of divestiture of integrated health care systems in the health care market in the state;
 - state policies that promote fair and appropriate competition in the health care market, including the adequacy and application of antitrust provisions to health care organizations;
 - business and financial practices of health care organizations and how they may impede or enhance a fair and competitive health care market place and impact consumers;
 - the tax exempt status of nonprofit health care organizations;
 - the statutory definition of charitable care;

- the contracting practices of health care organizations that promote cost-effective health care;
- the need for consumer protections from health care provider conflicts of interest;
- patient choice and access to health care providers; and
- the impact on the state's Medicaid program and other government funded health care plans; and
 - the impact of proliferation of medical technology and facilities;
 - ▶ provides an exception to the Open and Public Meetings act which permits the task force to close a meeting for the purpose of discussing a record which is a trade secret or contains commercial information and is designated as a protected record under the Government Records Access and Management Act.

Monies Appropriated in this Bill:

This bill appropriates:

- ▶ \$6,000 to the Senate for fiscal years 2004-05 and 2005-06;
- ▶ \$9,000 to the House of Representatives for fiscal years 2004-05 and 2005-06; and
- ▶ \$300,000 to the Office of Legislative Research and General Counsel for fiscal year 2004-05 only, for the purpose of providing economic, financial, and actuary services to the task force.

Other Special Clauses:

This bill provides an immediate effective date.

This bill is repealed on November 30, 2006.

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

Be it enacted by the Legislature of the state of Utah:

Section 1. Privately Owned Health Care Organization Task Force -- Creation -- Membership -- Interim rules followed -- Compensation -- Staff.

(1) There is created the Privately Owned Health Care Organization Task Force consisting

of the following 15 members:

(a) six members of the Senate appointed by the president of the Senate, no more than four of whom may be from the same political party; and

(b) nine members of the House of Representatives appointed by the speaker of the House of Representatives, no more than seven of whom may be from the same political party.

(2) (a) The president of the Senate shall designate a member of the Senate appointed under Subsection (1)(a) as a cochair of the task force.

(b) The speaker of the House of Representatives shall designate a member of the House of Representatives appointed under Subsection (1)(b) as a cochair of the task force.

(3) In conducting its business, the task force shall comply with the rules of legislative interim committees.

(4) Salaries and expenses of the members of the task force shall be paid in accordance with Section 36-2-2 and Legislative Joint Rule 15.03.

(5) The Office of Legislative Research and General Counsel shall provide staff support to the task force, and may, as permitted by the availability of funds, in consultation with the task force, contract with an economist, a financial analyst, and an actuary for services to the task force.

Section 2. Duties -- Interim report.

(1) The task force shall review and make recommendations on the following issues:

(a) market penetration, geographic distribution, and contracting arrangements of integrated health care systems in the health insurance and health care markets in the state;

(b) the impact of divestiture of integrated health care systems in the health care market in the state;

(c) state policies that promote fair and appropriate competition in the health care market, including the adequacy and application of antitrust provisions to health care organizations;

(d) business and financial practices of health care organizations and how they may impede or enhance a fair and competitive health care market place and impact consumers;

(e) the tax exempt status of nonprofit health care organizations;

- (f) the statutory definition of charitable care;
- (g) the contracting practices of health care organizations that promote cost-effective health care;
- (h) the need for consumer protections from health care provider conflicts of interest;
- (i) the impact of proliferation of medical technology and facilities;
- (j) patient choice of, and access to, health care providers including:
 - (i) the impact of any willing provider laws as applied to health maintenance organizations and preferred provider organizations; and
 - (ii) the use of medical non-compete provisions; and
- (k) the effect of Subsections (1)(a) through (g) on:
 - (i) the state's Medicaid program;
 - (ii) other government delivered health care services;
 - (iii) patients of the government programs described in this Subsection (1)(k), and
 - (iv) the health care delivery systems of the government programs described in this Subsection (1)(k).

(2) Notwithstanding the provisions of Section 52-4-5, the task force may close a meeting to review or discuss a record which:

- (a) is a trade secret; or
- (b) contains commercial information; and
- (c) is classified as a protected record under Section 63-2-304.

(3) (a) An initial report shall be made to the Business and Labor Interim Committee and Revenue and Taxation Interim Committee by November 30, 2005.

(b) A final report, including any proposed legislation, shall be presented to the Business and Labor Interim Committee and Revenue and Taxation Interim Committee before November 30, 2006.

Section 3. Appropriation.

(1) There is appropriated from the General Fund for fiscal year 2004-05 only:

- (a) \$6,000 to the Senate to pay for the compensation and expenses of senators on the task

force; and

(b) \$ 9,000 to the House of Representatives to pay for the compensation and expenses of representatives on the task force.

(2) There is appropriated from the General Fund for fiscal year 2005-06 only:

(a) \$6,000 to the Senate to pay for the compensation and expenses of senators on the task force; and

(b) \$ 9,000 to the House of Representatives to pay for the compensation and expenses of representatives on the task force.

(3) There is appropriated from the General Fund for fiscal year 2004-05 only, \$300,000 to the Office of Legislative Research and General Counsel to pay for staffing the task force with appropriate economic, financial, and actuary services.

Section 4. Effective date.

If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.

Section 5. Repeal date.

This bill is repealed on November 30, 2006.