Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments
Adopted in the House of Introduction

LLS NO. 16-0715.01 Kristen Forrestal x4217

HOUSE BILL 16-1326

HOUSE SPONSORSHIP

Primavera and Willett, Hullinghorst

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Crowder, Kefalas

House Committees
Public Health Care & Human Services

Senate Committees

A BILL FOR AN ACT

CONCERNING CHANGES IN THE REQUIREMENTS FOR THE COVERAGE OF HEALTH CARE BENEFITS FOR PHYSICAL REHABILITATION SERVICES TO ALLOW FOR INCREASED CONSUMER ACCESS TO SERVICES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

The bill requires a health insurance carrier that is providing benefits for physical rehabilitation services and an intermediary who has contracted with the carrier to:

HOUSE
3rd Reading Unamended
March 29, 2016

HOUSE
Amended 2nd Reading
March 28, 2016

- Base coverage authorization and medical necessity determinations on generally accepted and evidence-based criteria and disclose the criteria to health care providers and policyholders;
- Disclose the process that must be followed to obtain coverage authorizations and medical necessity determinations to providers and policyholders;
- Ensure that the authorizations and determinations are made by a licensed provider in good standing in the same field or specialty as the requesting provider; and
- Categorize care for a recurring condition as a new episode if the same provider has not treated the policyholder within the last 30 days.

The contract between the health care provider and intermediary must not:

- Allow for utilization management or utilization review as direct medical care or quality improvement;
- Impose different or tiered authorization standards and criteria for participating providers of the same licensed profession in the same network;
- Require prior authorization for coverage for the evaluation and management in the initial visit; or
- Require a provider to discount billed charges for physical rehabilitation services or products not covered under a health coverage plan unless the carrier or intermediary has disclosed to the provider and the carrier's policyholders in writing that providers are required to give the discount.

The bill prohibits a carrier from providing incentives to an intermediary who has a contract for its coverage authorizations and medical necessity determinations for services provided to a policyholder.

The bill makes a violation of these terms an unfair or deceptive trade practice in the business of insurance.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** 10-16-143 as follows:

10-16-143. Requirements for carriers and participating providers - rules. (1) A CARRIER THAT PROVIDES BENEFITS FOR PHYSICAL REHABILITATION SERVICES AND AN INTERMEDIARY THAT HAS ENTERED INTO A CONTRACT WITH ONE OR MORE SUCH CARRIERS TO

CONDUCT UTILIZATION MANAGEMENT, UTILIZATION REVIEW, PROVIDER CREDENTIALING, ADMINISTRATION OF HEALTH INSURANCE BENEFITS, SETTING OR NEGOTIATION OF REIMBURSEMENT RATES, PAYMENT TO PROVIDERS, NETWORK DEVELOPMENT, OR DISEASE MANAGEMENT PROGRAMS FOR THE PHYSICAL REHABILITATION SERVICES SHALL INCLUDE AND ENFORCE WITHIN THEIR CONTRACT THE FOLLOWING REQUIREMENTS:

(a) A REQUIREMENT THAT THE INTERMEDIARY BASE COVERAGE AUTHORIZATIONS AND MEDICAL NECESSITY OF HEALTH CARE DETERMINATIONS ON GENERALLY ACCEPTED AND EVIDENCE-BASED STANDARDS AND CRITERIA OF CLINICAL PRACTICE;

(b) DISCLOSURE TO A CARRIER'S POLICYHOLDERS AND PROVIDERS OF THE EVIDENCE-BASED STANDARDS AND CRITERIA OF CLINICAL PRACTICE THAT ARE BEING USED FOR AUTHORIZING COVERAGE OR DETERMINING THE MEDICAL NECESSITY OF HEALTH CARE SERVICES;

(c) DISCLOSURE TO A CARRIER'S POLICYHOLDERS AND PROVIDERS OF THE PROCESS THAT MUST BE FOLLOWED TO OBTAIN COVERAGE AUTHORIZATIONS AND MEDICAL NECESSITY DETERMINATIONS;

(d) DISCLOSURE TO A CARRIER'S POLICYHOLDERS AND PROVIDERS OF THE SCOPE OF COVERAGE AND COST-SHARING RESPONSIBILITIES FOR COMPLEX DECONGESTIVE THERAPY AS A COVERED PHYSICAL REHABILITATION SERVICE, INCLUDING FITTING FOR, REPLACEMENT OF, AND COVERAGE COSTS OF COMPRESSION BANDAGES, SLEEVES, OR OTHER GARMENTS; EXERCISES; MANUAL LYMPHATIC DRAINAGE; AND OTHER THERAPIES;

(e) ENSURING THAT COVERAGE AUTHORIZATIONS AND MEDICAL NECESSITY DETERMINATIONS ARE PERFORMED BY A PROVIDER WHO IS LICENSED IN THE SAME HEALTH FIELD AS THE REQUESTING PROVIDER AND

WHOSE LICENSE IS IN GOOD STANDING;

(f) CATEGORIZATION OF CARE FOR A RECURRING CONDITION AS A NEW EPISODE OF CARE IF THE SAME PROVIDER HAS NOT TREATED THE POLICYHOLDER WITHIN THE PREVIOUS THIRTY DAYS; AND

(g) A REQUIREMENT THAT THERE IS A MECHANISM IN PLACE WHERE THE HEALTH CARE PROVIDER WHO PROVIDES THE PHYSICAL REHABILITATION SERVICES COMMUNICATES TO THE PRESCRIBING HEALTH CARE PROVIDER THE SERVICES THAT ARE ACTUALLY PROVIDED TO THE POLICYHOLDER.

(2) THE CONTRACT BETWEEN THE CARRIER AND INTERMEDIARY DESCRIBED IN SUBSECTION (1) OF THIS SECTION MUST NOT:

(a) IMPOSE DIFFERENT OR TIERED AUTHORIZATION STANDARDS AND CRITERIA FOR PARTICIPATING PROVIDERS OF THE SAME LICENSED PROFESSION IN THE SAME NETWORK; OR

(b) REQUIRE PRIOR AUTHORIZATION FOR COVERAGE FOR THE EVALUATION AND MANAGEMENT FOR THE INITIAL VISIT.

(3) THE CARRIER DESCRIBED IN SUBSECTION (1) OF THIS SECTION SHALL NOT COMPENSATE AN INTERMEDIARY WHO HAS A CONTRACT IN ACCORDANCE WITH SUBSECTIONS (1) AND (2) OF THIS SECTION BASED ON THE INTERMEDIARY'S DETERMINATIONS FOR SERVICES PROVIDED TO A POLICYHOLDER.

(4) THE COMMISSIONER MAY ENFORCE THE REQUIREMENTS OF THIS SECTION BY ADOPTING RULES AS AUTHORIZED BY SECTION 10-1-109 AND BY EXERCISING ALL OTHER POWERS CONFERRED UPON THE COMMISSIONER UNDER THIS ARTICLE.

(5) FOR THE PURPOSES OF THIS SECTION:

(a) "PHYSICAL REHABILITATION SERVICES" HAS THE SAME MEANING AS SET FORTH IN SECTION 10-16-142.

(b) "UTILIZATION MANAGEMENT" HAS THE SAME MEANING AS SET FORTH IN SECTION 10-16-1002.

(c) "UTILIZATION REVIEW" HAS THE SAME MEANING AS SET FORTH IN SECTION 10-16-112.

SECTION 2. Act subject to petition - effective date. This act takes effect January 1, 2018; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on January 1, 2018, or on the date of the official declaration of the vote thereon by the governor, whichever is later.