

HB1061\_L.004

## HOUSE COMMITTEE OF REFERENCE REPORT

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 Chairman of Committee

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 Date
Committee on Business Affairs and Labor.

After consideration on the merits, the Committee recommends the following:

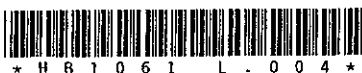
HB09-1061 be amended as follows:

Amend printed bill, strike everything below the enacting clause and substitute the following:

1           **"SECTION 1.** 10-16-705, Colorado Revised Statutes, is amended  
 2 BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to  
 3 read:

4           **10-16-705. Requirements for carriers and participating**  
 5 **providers.** (6.5) A CARRIER THAT HAS ENTERED INTO A CONTRACT WITH  
 6 ONE OR MORE INTERMEDIARIES TO CONDUCT UTILIZATION MANAGEMENT,  
 7 UTILIZATION REVIEW, PROVIDER CREDENTIALING, ADMINISTRATION OF  
 8 HEALTH INSURANCE BENEFITS, SETTING OR NEGOTIATION OF  
 9 REIMBURSEMENT RATES, PAYMENT TO PROVIDERS, NETWORK  
 10 DEVELOPMENT, OR DISEASE MANAGEMENT PROGRAMS SHALL REQUIRE THE  
 11 INTERMEDIARY TO COMPLY WITH THE SAME STANDARDS, GUIDELINES,  
 12 MEDICAL POLICIES, AND BENEFIT TERMS OF THE CARRIER.

13           (10.5) (a) A CARRIER THAT HAS ENTERED INTO A CONTRACT WITH  
 14 ONE OR MORE INTERMEDIARIES TO CONDUCT UTILIZATION MANAGEMENT,  
 15 UTILIZATION REVIEW, PROVIDER CREDENTIALING, ADMINISTRATION OF  
 16 HEALTH INSURANCE BENEFITS, SETTING OR NEGOTIATION OF  
 17 REIMBURSEMENT RATES, PAYMENT TO PROVIDERS, NETWORK  
 18 DEVELOPMENT, OR DISEASE MANAGEMENT PROGRAMS, WHEN MAKING ANY  
 19 PAYMENT TO A HEALTH CARE PROVIDER, SHALL INDICATE THE NAME OF  
 20 THE INTERMEDIARY AND THE NAME OF THE CARRIER FOR WHICH IT IS  
 21 CONDUCTING THE WORK WHEN MAKING ANY PAYMENT TO A HEALTH CARE  
 22 PROVIDER.



1 (b)(I) A VIOLATION OF SUBSECTION (6.5) OF THIS SECTION OR THIS  
2 SUBSECTION (10.5) IS AN UNFAIR OR DECEPTIVE ACT OR PRACTICE IN THE  
3 BUSINESS OF INSURANCE PURSUANT TO SECTION 10-3-1104.

4 (II) THE COMMISSIONER MAY EXAMINE THE ACTIONS OF A CARRIER  
5 PURSUANT TO SUBSECTION (6.5) OF THIS SECTION AND THIS SUBSECTION  
6 (10.5) WHEN CONDUCTING A MARKET CONDUCT ANALYSIS PURSUANT TO  
7 PART 2 OF ARTICLE 1 OF THIS TITLE.

8 **SECTION 2.** 10-3-1104 (1), Colorado Revised Statutes, is  
9 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10 **10-3-1104. Unfair methods of competition and unfair or**  
11 **deceptive acts or practices.** (1) The following are defined as unfair  
12 methods of competition and unfair or deceptive acts or practices in the  
13 business of insurance:

14 (gg) VIOLATION OF SECTION 10-16-705 (6.5) OR (10.5).

15 **SECTION 3. Act subject to petition - effective date.** This act  
16 shall take effect at 12:01 a.m. on the day following the expiration of the  
17 ninety-day period after final adjournment of the general assembly that is  
18 allowed for submitting a referendum petition pursuant to article V,  
19 section 1 (3) of the state constitution, (August 4, 2009, if adjournment  
20 sine die is on May 6, 2009); except that, if a referendum petition is filed  
21 against this act or an item, section, or part of this act within such period,  
22 then the act, item, section, or part, if approved by the people, shall take  
23 effect on the date of the official declaration of the vote thereon by  
24 proclamation of the governor."

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