

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A GROUP OF MEDICAL SERVICE PROVIDERS OR
5 AN ENTITY WITH A MANAGED CARE ORGANIZATION THAT IS CERTIFIED BY THE DEPARTMENT OF
6 LABOR AND INDUSTRY TO ACCEPT ALL HEALTH CARE PROVIDERS WHO MEET THE QUALIFICATIONS
7 ESTABLISHED BY THE GROUP OF MEDICAL SERVICE PROVIDERS OR THE MANAGED CARE ENTITY AND
8 AGREE TO ALL TERMS AND CONDITIONS ESTABLISHED BY THE GROUP OF MEDICAL SERVICE
9 PROVIDERS OR THE MANAGED CARE ORGANIZATION FOR SIMILAR PROVIDERS; AMENDING SECTION
10 39-71-1105, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
14 **Section 1.** Section 39-71-1105, MCA, is amended to read:

15 **"39-71-1105. Managed care organizations -- application -- certification.** (1) A health care provider,
16 a group of medical service providers, or an entity with a managed care organization may make written
17 application to the department to become certified under this section to provide managed care to injured
18 workers for injuries that are covered under this chapter or for occupational diseases that are covered under
19 the Occupational Disease Act of Montana. However, this section does not authorize an organization that
20 is formed, owned, or operated by a workers' compensation insurer or self-insured employer other than a
21 health care provider to become certified to provide managed care. When a health care provider, a group
22 of medical service providers, or an entity with a managed care organization is establishing a managed care
23 organization and independent physical therapy practices exist in the community, the managed care
24 organization is encouraged to utilize independent physical therapists as part of the managed care
25 organization if the independent physical therapists agree to abide by all the applicable requirements for a
26 managed care organization set forth in this section, in rules established by the department, and in the
27 provisions of a managed care plan for which certification is being sought.

28 (2) Each application for certification must be accompanied by an application fee if prescribed by
29 the department. A certificate is valid for the period prescribed by the department, unless it is revoked or
30 suspended at an earlier date.

1 (3) The department shall establish by rule the form for the application for certification and the
2 required information regarding the proposed plan for providing medical services. The information includes
3 but is not limited to:

4 (a) a list of names of each individual who will provide services under the managed care plan,
5 together with appropriate evidence of compliance with any licensing or certification requirements for that
6 individual to practice in the state;

7 (b) names of the individuals who will be designated as treating physicians and who will be
8 responsible for the coordination of medical services;

9 (c) a description of the times, places, and manner of providing primary medical services under the
10 plan;

11 (d) a description of the times, places, and manner of providing secondary medical services, if any,
12 that the applicants wish to provide; and

13 (e) satisfactory evidence of the ability to comply with any financial requirements to ensure delivery
14 of service in accordance with the plan that the department may require.

15 (4) The department shall certify a group of medical service providers or an entity with a managed
16 care organization to provide managed care under a plan if the department finds that the plan:

17 (a) proposes to provide coordination of services that meet quality, continuity, and other treatment
18 standards prescribed by the department and will provide all primary medical services that may be required
19 by this chapter in a manner that is timely and effective for the worker;

20 (b) provides appropriate financial incentives to reduce service costs and utilization without
21 sacrificing the quality of services;

22 (c) provides adequate methods of peer review and service utilization review to prevent excessive
23 or inappropriate treatment, to exclude from participation in the plan those individuals who violate these
24 treatment standards but not those who comply with treatment standards, and to provide for the resolution
25 of any medical disputes that may arise;

26 (d) provides for cooperative efforts by the worker, the employer, the rehabilitation providers, and
27 the managed care organization to promote an early return to work for the injured worker;

28 (e) provides a timely and accurate method of reporting to the department necessary information
29 regarding medical and health care service cost and utilization to enable the department to determine the
30 effectiveness of the plan;

1 (f) authorizes workers to receive medical treatment from a primary care physician who is not a
2 member of the managed care organization but who maintains the worker's medical records and with whom
3 the worker has a documented history of treatment, if that primary care physician agrees to refer the
4 worker to the managed care organization for any specialized treatment, including physical therapy, that
5 the worker may require and if that primary care physician agrees to comply with all the rules, terms, and
6 conditions regarding services performed by the managed care organization. As used in this subsection (f),
7 "primary care physician" means a physician who is qualified to be a treating physician and who is a family
8 practitioner, a general practitioner, an internal medicine practitioner, or a chiropractor.

9 (g) complies with any other requirements determined by department rule to be necessary to
10 provide quality medical services and health care to injured workers.

11 (5) The department shall refuse to certify or may revoke or suspend the certification of a health
12 care provider, a group of medical service providers, or an entity with a managed care organization to
13 provide managed care if the department finds that:

14 (a) the plan for providing medical care services fails to meet the requirements of this section; and

15 (b) service under the plan is not being provided in accordance with the terms of a certified plan.

16 (6) A group of medical service providers or an entity with a managed care organization certified
17 by the department to provide managed care under a plan shall enter into an agreement with a health care
18 provider under which the health care provider is required to provide services to injured workers if the health
19 care provider:

20 (a) meets all of the qualifications established by the group of medical service providers or the
21 managed care organization for health care providers of similar skill levels;

22 (b) agrees to all terms and conditions for similar health care providers that enter into agreements
23 with the group of medical service providers or the managed care organization to provide services to injured
24 workers; and

25 (c) agrees to abide by all the applicable requirements for a group of medical service providers or
26 a managed care organization set forth in this section and in rules adopted by the department."

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28 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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