

1 AMENDMENT TO HOUSE BILL 4896

2 AMENDMENT NO. _____. Amend House Bill 4896 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Health Maintenance Organization Act is
5 amended by changing Section 2-8 as follows:

6 (215 ILCS 125/2-8) (from Ch. 111 1/2, par. 1407.01)

7 Sec. 2-8. Provider agreements and stipulations.

8 (a) All provider contracts currently in existence between
9 any organization and any hospital which are renewed on or
10 after 180 days following the effective date of this
11 amendatory Act of 1987, and all contracts between any
12 organization and any hospital executed on or after 180 days
13 after such effective date, shall contain the following
14 "hold-harmless" clause: "The provider agrees that in no
15 event, including but not limited to nonpayment by the
16 organization of amounts due the hospital provider under this
17 contract, insolvency of the organization or any breach of
18 this contract by the organization, shall the hospital
19 provider or its assignees or subcontractors have a right to
20 seek any type of payment from, bill, charge, collect a
21 deposit from, or have any recourse against, the enrollee,
22 persons acting on the enrollee's behalf (other than the

1 organization), the employer or group contract holder for
2 services provided pursuant to this contract except for the
3 payment of applicable co-payments or deductibles for services
4 covered by the organization or fees for services not covered
5 by the organization. The requirements of this clause shall
6 survive any termination of this contract for services
7 rendered prior to such termination, regardless of the cause
8 of such termination. The organization's enrollees, the
9 persons acting on the enrollee's behalf (other than the
10 organization) and the employer or group contract holder shall
11 be third party beneficiaries of this clause. This clause
12 supersedes any oral or written agreement now existing or
13 hereafter entered into between the provider and the enrollee,
14 persons acting on the enrollee's behalf (other than the
15 organization) and the employer or group contract holder." To
16 the extent that any hospital provider contract, which is
17 renewed or entered into on or after 180 days following the
18 effective date of this amendatory Act of 1987, fails to
19 incorporate such provisions, such provisions shall be deemed
20 incorporated into such contracts by operation of law as of
21 the date of such renewal or execution.

22 (b) All provider and subcontractor contracts must
23 contain provisions whereby the provider or subcontractor
24 shall provide, arrange for, or participate in the quality
25 assurance programs mandated by this Act, unless the Illinois
26 Department of Public Health certifies that such programs will
27 be fully implemented without any participation or actions
28 from such contracting provider.

29 (c) The Director may promulgate rules requiring that
30 provider contracts contain provisions concerning reasonable
31 notices to be given between the parties and for the
32 organization to provide reasonable notice to its enrollees
33 and to the Director. Notice shall be given for such events
34 as, but not limited to, termination of insurance protection,

- 1 quality assurance or availability of medical care.
- 2 (Source: P.A. 86-620.)".