On July 30, 1997 the Chicago City Council passed the first national local Managed Care Consumer Protection Ordinance. The Ordinance gives responsibility to the Chicago Department of Public Health for providing consumers with information on managed care, receiving complaints, and for monitoring the public health impacts of managed care on Chicagoans and the City's health care delivery system.

Managed Care Consumer Protection Ordinance (full text)

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Substitute Ordinance as Amended

Managed Care Consumer Protection Ordinance

Preamble.

Health Care Consumers' Bill of Rights The City Council hereby endorses the following principles:

1. No person shall be denied necessary medical care delivered in a timely manner.
2. No person shall be denied quality health care services because of his or her race, ethnicity, sex, sexual orientation, age, disability status, income, religious belief or citizenship status.
3. No person shall be denied the opportunity to choose his or her primary and specialty health care providers.
4. No person shall be denied immediate emergency medical care; no prior payment authorization shall be required.
5. No person shall be denied health insurance coverage based on any pre-existing condition or on any pre-enrollment health screening requirement.
6. No person shall be denied the opportunity for a second opinion or a prompt referral to a specialist, nor shall any health care provider be encouraged to make medical decisions based on a system of financial incentives.
7. No person shall be denied information relating to his or her medical condition as a result of any rule restricting the ability of a health care provider to freely communicate with his or her patients.
8. No person shall be denied a plainly worded, concise and accurate statement or his or her health care plan or billing records.
9. No person shall be subjected to any unscheduled solicitation by a representative of a managed health care organization at his or her home, nor denied the timely processing of a disenrollment request.
10. No person shall be denied the right to appeal any decision denying, delaying, reducing or terminating medical care.

Section 1. Purpose and Intent

(a) This ordinance shall be known as the Managed Care Consumer Protection Ordinance. The City of Chicago City Council finds and declares that:
Managed care organizations (MCOs), established for the delivery of health care services, are expanding in Chicago.

Managed care requires patients to have more information to obtain needed health care services in a timely fashion. Because managed care directs patients to a particular network of providers, uninformed consumers may experience difficulty in obtaining timely and necessary health care services.

The added consumer information requirements may be aggravated by "gag rules" that may prohibit providers from providing patients with all essential information about their health care options.

Informed consumers have the ability to improve the quality of service provided by MCOs by: identifying poor quality providers; proposing additions to covered services; and suggesting models for community-based preventive care delivery.

Physicians, nurses and other health care providers should be able to inform patients of their health care needs and rights under managed care contracts and recommend appropriate medical treatment without fear of retaliation from managed care entities.

Health care providers, not administrative staff, should make decisions as to when medical treatment is appropriate, and those decisions should not be based solely on the cost of that care. Provider compensation should not be structured so as to create a disincentive to recommending or providing appropriate care.

MCOs should not determine the level of a health care provider's salary based on his or her decisions to provide or recommend appropriate care.

Patients should have access to information regarding how MCOs compensate their health care providers.

MCOs should make publicly available their criteria for authorizing or denying care; such criteria should be in accordance with standard medical care and practice.

It is in the public interest for MCOs to disclose financial information regarding their operations.

The Chicago Department of Health and the Chicago Board of Health are charged with protecting the public's health and should play a role in monitoring MCOs in Chicago through the collection and dissemination of relevant information.

This Ordinance contains powers and duties based upon these findings.

Section 2. Definitions

Managed Care Organization means any entity that enrolls persons for the purpose of providing and financing health care services through participating providers.

Section 3. Establishment of Office of Managed Care; Powers and Duties

(a) There is hereby created within the Chicago Department of Health an Office of Managed Care responsible for monitoring and analyzing the impact of the expansion of MCOs in Chicago on the public health.

(b) The powers and duties of the Office of Managed Care are as follows:
(1) Data Collection and Reports. The Office of Managed Care shall serve as a source of general information on managed care by:

(i) collecting statistical data from a variety of sources, analyzing that data and making it available to the public;

(ii) cooperating with other organizations to gather information about MCOs;

(iii) issuing periodic reports on selected topics of interest and issuing an annual report on the status of managed care in Chicago and its impact on the public health to be presented to the City Council and the Board of Health, along with any recommendations for action. The Department will seek appropriate consultation and advice from a physician duly licensed in Illinois when reviewing and analyzing information concerning the practice of medicine.

(2) Complaints. The Office of Managed Care shall receive consumer complaints and serve as a clearinghouse in identifying appropriate regulatory agencies at the state or federal level for referral. The Office shall retain the right to conduct investigations of consumer complaints about MCOs.

(3) Board of Health

(i) The Board of Health may hold public hearings into issues which are brought to its attention by the Office of Managed Care or consumers.

(ii) The Board of Health is empowered to promulgate any regulations required to carry out this ordinance.

(4) Monitoring

(i) The Office of Managed Care shall monitor MCOs for the following:

((a)) their effect on public health;

((b)) their effect on access to and availability of health care services to City residents; and

((c)) their effect on health care providers.

(ii) The Office of Managed Care shall collect and review such information as is necessary to assure compliance with this Ordinance and shall make such information available for public inspection.

(5) Consumer Guides

The Office of Managed Care shall develop guides to assist consumers in choosing an MCO and refer consumers to information sources developed by MCOs or other organizations that may guide them.

Section 4. Consumer Protections

(a) Full disclosure of Decisions Made by MCOs.

(1) To the extent not inconsistent with federal or state law, no health care entity shall attempt to prevent in any way a physician, nurse, or other licensed or certified care giver from disclosing to a patient any information that the care giver determines to be relevant to the patient's health care.

(2) To the extent not inconsistent with federal or state law, a patient shall have access to his or her patient charts and records in a timely manner upon request.
(b) Confidentiality. To the extent not inconsistent with federal or state law:

1) the confidentiality of patients' health care records shall be fully protected; and,

2) no health care entity shall sell or otherwise make available to any third party a patient's health care records without the express written authorization of the patient.

Section 5. Penalty for Violation

Any person who is found to have violated any requirement set forth in Section 4 of this Ordinance shall be fined in an amount not to exceed $1,000 for each offense. For purposes of this section, "person" means any natural individual, firm, trust, partnership, joint venture, corporation or other legal entity.

Section 6. Effective Date

This ordinance shall be in force and effect on and after October 1, 1997.