

the provisions of this paragraph shall be punished by a fine of not less than fifty dollars nor more than two hundred dollars.

Approved July 22, 1978

Chap. 574. AN ACT RELATIVE TO THE SERVICES PROVIDED BY MEDICAL SERVICE CORPORATIONS.

Be it enacted, etc., as follows:

SECTION 1. Chapter 176B of the General Laws is hereby amended by striking out section 1, as most recently amended by section 1 of chapter 543 of the acts of 1971, and inserting in place thereof the following section:-

Section 1. In this chapter the following words shall have the following meanings:

"Commissioner", the commissioner of insurance.

"Covered dependent", a dependent for whose medical or chiropractic care provision is made in a subscription certificate issued by a medical service corporation to a subscriber.

"Dependent", the spouse, child or foster child of a subscriber, or an adult relative dependent upon the subscriber for his support.

"Medical service", the medical services ordinarily provided by registered optometrists and physicians in accordance with accepted practices in the community where the services are rendered.

"Chiropractic service", the chiropractic services ordinarily provided by registered chiropractors in accordance with accepted practices in the community where the services are rendered.

"Visual service", the optometric services ordinarily provided by registered optometrists and physicians in accordance with accepted practices in the community where the services are rendered.

"Medical service corporation", a corporation organized as provided by this chapter for the purpose of establishing and operating a non-profit medical service plan.

"Nonprofit medical service plan", a plan operated by a medical service corporation under the provisions of this chapter, whereby the cost of medical and chiropractic service and other health services furnished to subscribers and covered dependents is paid by the corporation to subscribers, to participating physicians, to participating chiropractors, and to such other physicians as are provided for herein, and to providers of other health services.

"Participating physician", a registered physician under the provisions of chapter one hundred and twelve who agrees in writing with a medical service corporation to perform medical service for subscribers and covered dependents and to abide by the by-laws, rules and regulations of such corporation.

"Participating chiropractor", a registered chiropractor under the provisions of chapter one hundred and twelve who agrees in writing with a medical service corporation to perform chiropractic service for subscribers and covered dependents and to abide by the by-laws, rules and regulations of such corporation.

"Participating optometrist", a registered optometrist who agrees in writing with a medical service corporation to perform visual

service for subscribers and covered dependents and to abide by the by-laws, rules and regulation of such corporation.

"Registered physician", a physician registered to practice medicine in the commonwealth as provided in section two of chapter one hundred and twelve.

"Registered chiropractor", a chiropractor registered to practice chiropractic in the commonwealth as provided in section eighty-nine of chapter one hundred and twelve.

"Subscriber", a person who has subscribed to a non-profit medical service plan and to whom a subscription certificate has been issued in accordance with the provisions of section six.

SECTION 2. Section 4 of said chapter 176B is hereby amended by striking out the first paragraph, as most recently amended by section 3 of chapter 543 of the acts of 1971, and inserting in place thereof the following paragraph:-

Any medical service corporation may enter into contracts with its subscribers and with participating physicians, participating chiropractors, participating optometrists, dentists, podiatrists, and other providers of health services licensed under the laws of the commonwealth for such medical, chiropractic, visual, surgical and other health services as may lawfully be rendered by them to subscribers and to their dependents and may pay for such services. The form of agreement with such participating physicians, participating chiropractors, participating optometrist, dentists, podiatrists and other providers of health services and the methods of compensating such participating physicians, participating chiropractors, participating optometrists, dentists, podiatrists and other providers of health services for their services to subscribers or covered dependents shall at all times be subject to the written approval of the commissioner, but no participating physicians or participating chiropractors shall be denied their right to enter into a contract with any medical service corporation by reason of any unfair or arbitrary discrimination.

SECTION 3. Said chapter 176B is hereby further amended by striking out section 7, as most recently amended by section 1 of chapter 434 of the acts of 1971, and inserting in place thereof the following section:-

Section 7. Every registered physician and every registered chiropractor shall have the right, on complying with such rules and regulations as the corporation may make, to enter into a written agreement with a medical service corporation, doing business in the city or town where the said physician or chiropractor resides or has his usual place of business, to perform medical or chiropractic services. This chapter shall not change the normal relations between physician or chiropractor and patient. No restriction shall be placed by any such corporation upon its participating physicians or participating chiropractors as to methods of diagnosis or treatment. No officer, agent, or employee of a medical service corporation shall influence or attempt to influence a subscriber or a covered dependent in his choice of a participating physician or participating chiropractor. A subscriber or a covered dependent, subject to the by-laws,

rules and regulations of a medical service corporation and the terms and provisions of his subscription certificate, shall be entitled to the benefits of this chapter upon receiving medical or chiropractic service from any participating physician or participating chiropractor or, in the discretion of the corporation, upon receiving medical or chiropractic service from any non-participating physician or chiropractor in an emergency or when outside the commonwealth. A corporation may terminate its agreement with any participating physician or participating chiropractor at any time (a) for failure to comply with the reasonable rules and regulations of such corporation, including without limitation such rules and regulations as may be adopted governing the keeping of accounts, records and statistics, the making of reports and proof of services rendered, or (b) for presenting any fraudulent, unreasonable, or improper claim for payment, or compensation.

Nothing in section four or in this section shall be construed to prohibit any medical service corporation from entering into written agreements with its subscribers and with participating chiropractors to furnish chiropractic services to subscribers and covered dependents or from including chiropractic services in its nonprofit medical service plan, nor shall any medical service corporation discriminate in any way against participating chiropractors in the furnishing of chiropractic service to its subscribers and covered dependents.

SECTION 4. Section 12 of said chapter 176B is hereby further amended by striking out the first sentence, as appearing in chapter 306 of the acts of 1941, and inserting in place thereof the following sentence:- Any dispute or controversy arising between a medical service corporation and any participating physician, participating chiropractor, or any subscriber, or any person whose subscription certificate has been canceled or to whom such corporation has refused to issue such certificate may within thirty days after such dispute or controversy arises be submitted by any person aggrieved to a board serving in the division of insurance and consisting of the commissioner or a person designated by him, the chairman of the board of registration and discipline in medicine or any person designated by him, and the attorney general or a person designated by him, for its decision with respect thereto.

SECTION 5. Section 13 of said chapter 176B is hereby amended by striking out the second paragraph, inserted by section 2 of chapter 434 of the acts of 1971, and inserting in place thereof the following paragraph:-

If the right of any person or group of persons to become a participating physician or participating chiropractor as defined in section one is denied because of arbitrary or unfair discrimination, any such person or group of persons so aggrieved may apply to the supreme judicial court for an injunction restraining it from further proceeding with its business.

Approved July 22, 1978

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Chap. 575. AN ACT ALLOWING TOWNS TO CONTRACT FOR THE PURCHASE OF MAGAZINES AND PERIODICALS FOR PERIODS NOT EXCEEDING THREE YEARS.