CLASSIFICATIONS FOR THE PURPOSES OF ESTABLISHING CONTRACT RATES NOR DOES IT PROHIBIT EXPERIENCE RATING;

(6) THE ORGANIZATION FURNISHES EVIDENCE OF ADEQUATE INSURANCE COVERAGE OR AN ADEQUATE PLAN FOR SELF-INSURANCE TO RESPOND TO CLAIMS FOR INJURIES ARISING OUT OF THE FURNISHING OF HEALTH CARE;

(7) THE ORGANIZATION HAS PROVIDED, THROUGH CONTRACT OR OTHERWISE, FOR PERIODIC EXTERNAL AUDIT AND REVIEW OF ITS HEALTH AND MEDICAL FACILITIES AND SERVICES IN THE MANNER DETERMINED OR APPROVED BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, USING METHODS WHICH WILL PROVIDE MAXIMUM CONFIDENTIALITY AS TO PATIENT IDENTITY AND ASSURE OBJECTIVE EVALUATION. HOWEVER, THE ORGANIZATION MAY EMPLOY IN LIEU OF AN EXTERNAL AUDIT ITS OWN INTERNAL QUALITY OF CARE COMMITTEE AUDIT PROCEDURES, IF THE PROCEDURES ARE APPROVED BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE. WHERE THERE IS A PROFESSIONAL STANDARDS REVIEW ORGANIZATION AS DESCRIBED IN 42 U.S.C. §1320C-1 (SUPP. III 1972), AS AMENDED FROM TIME TO TIME, WHICH IS CERTIFIED BY THE UNITED STATES DEPARTMENT OF HEALTH, EDUCATION AND WELFARE AS CAPABLE OF SERVING PERSONS IN THE AREA IN WHICH THE HEALTH MAINTENANCE ORGANIZATION IS LOCATED WHO ARE RECEIVING BENEFITS UNDER "SUBCHAPTER XVIII. - HEALTH INSURANCE FOR THE AGED AND DISABLED" (MEDICARE) 42 U.S.C. §1395 ET SEQ. (1970 ED. AND SUPP. III 1972), AS AMENDED FROM TIME TO TIME, AND "SUBCHAPTER XIX. - GRANTS TO STATES FOR MEDICAL ASSISTANCE PROGRAMS" (MEDICAID) 42 U.S.C. §1396 ET SEQ. (1970 ED. AND SUPP. III 1972), AS AMENDED FROM TIME TO TIME, THE PROFESSIONAL STANDARDS REVIEW ORGANIZATION, CONSISTENT WITH THE CERTIFICATION OF THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HEALTH, EDUCATION AND WELFARE, IS AUTHORIZED TO REVIEW HEALTH AND MEDICAL SERVICES OF THE HEALTH MAINTENANCE ORGANIZATIONS;

(8) WITH THE APPROVAL OF THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, THE ORGANIZATION HAS PROVIDED FOR AN INTERNAL PEER REVIEW WHICH WILL PROVIDE FOR CONTINUOUS MONITORING AND EVALUATION OF PATIENT RECORDS FOR QUALITY OF CARE AND FOR OVER-UTILIZATION AND UNDER-UTILIZATION OF PROVIDER CARE;

(9) THE ORGANIZATION HAS PROVIDED AN INTERNAL GRIEVANCE SYSTEM TO RESOLVE ADEQUATELY ANY GRIEVANCES INITIATED BY ANY OF ITS MEMBERS, IN A MANNER APPROVED BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE ON MATTERS CONCERNING QUALITY OF CARE AND BY THE COMMISSIONER ON FINANCIAL MATTERS, IN ACCORDANCE WITH JOINT INTERNAL ADMINISTRATIVE RULES AND PROCEDURES;

(10) PROCEDURES ARE ESTABLISHED TO OFFER ALL MEMBERS [[OR PUBLIC REPRESENTATIVES]] AN OPPORTUNITY TO