

OF THE SOCIAL SECURITY ACT OR TITLE III OF THE PUBLIC HEALTH SERVICE ACT, PROPOSED TO BE MADE OR MADE WITH GOVERNMENT OR PRIVATE AGENCIES THAT COVER ALL OR PART OF THE COST OF SUBSCRIPTIONS TO PROVIDE HEALTH CARE SERVICES, FACILITIES, APPLIANCES, MEDICINES, OR SUPPLIES SHALL BE FINANCIALLY SOUND, BASED ON REASONABLE ACTUARIAL ASSUMPTIONS THAT THE HEALTH MAINTENANCE ORGANIZATION CAN MEET ITS OBLIGATIONS TO THE AGENCIES AND THEIR BENEFICIARIES BY REASON OF THE HEALTH MAINTENANCE ORGANIZATION'S NET WORTH POSITION, STOP LOSS, REINSURANCE ARRANGEMENTS WITH AUTHORIZED INSURERS, OR OTHER ARRANGEMENTS THAT ARE SATISFACTORY TO THE COMMISSIONER.

(F) STANDARDS OF QUALITY AND CARE.

THE TERMS OF THE CONTRACTS TO BE OFFERED TO SUBSCRIBERS SHALL PROVIDE THAT THE HEALTH CARE SERVICES PROVIDED TO MEMBERS OF THE HEALTH MAINTENANCE ORGANIZATION WILL MEET REASONABLE STANDARDS OF QUALITY OF CARE THAT ARE APPLICABLE TO THE GEOGRAPHIC AREA TO BE SERVED, AS APPROVED BY THE DEPARTMENT.

(G) LACK OF DISCRIMINATION.

THE PROCEDURES FOR OFFERING HEALTH CARE SERVICES AND OFFERING AND TERMINATING CONTRACTS TO SUBSCRIBERS MAY NOT DISCRIMINATE UNFAIRLY ON THE BASIS OF AGE, SEX, RACE, HEALTH, OR ECONOMIC STATUS. THIS REQUIREMENT DOES NOT PROHIBIT:

(1) REASONABLE UNDERWRITING CLASSIFICATIONS FOR ESTABLISHING CONTRACT RATES; OR

(2) EXPERIENCE RATING.

(H) INSURANCE.

THE HEALTH MAINTENANCE ORGANIZATION SHALL PROVIDE EVIDENCE OF ADEQUATE INSURANCE COVERAGE OR AN ADEQUATE PLAN FOR SELF INSURANCE TO SATISFY CLAIMS FOR INJURIES THAT MAY OCCUR FROM PROVIDING HEALTH CARE.

(I) AUDIT AND REVIEW.

THE HEALTH MAINTENANCE ORGANIZATION SHALL PROVIDE FOR HAVING ITS HEALTH AND MEDICAL FACILITIES AND SERVICES AUDITED AND REVIEWED PERIODICALLY:

(1) BY PERSONNEL OUTSIDE THE HEALTH MAINTENANCE ORGANIZATION WHO:

(I) ACT IN A MANNER THAT IS APPROVED BY THE DEPARTMENT; AND

(II) USE METHODS THAT WILL ASSURE OBJECTIVE EVALUATION AND KEEP THE IDENTITY OF PATIENTS AS