

19-713.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "ADMINISTRATIVE SERVICE PROVIDER CONTRACT" MEANS A CONTRACT OR CAPITATION AGREEMENT BETWEEN A HEALTH MAINTENANCE ORGANIZATION AND A CONTRACTING PROVIDER WHICH INCLUDES REQUIREMENTS THAT:

(I) THE CONTRACTING PROVIDER ACCEPT PAYMENTS FROM A HEALTH MAINTENANCE ORGANIZATION FOR HEALTH CARE SERVICES TO BE PROVIDED TO MEMBERS OF THE HEALTH MAINTENANCE ORGANIZATION THAT THE CONTRACTING PROVIDER ARRANGES TO BE PROVIDED BY EXTERNAL PROVIDERS; AND

(II) THE CONTRACTING PROVIDER ADMINISTER PAYMENTS PURSUANT TO THE CONTRACT WITHIN THE HEALTH MAINTENANCE ORGANIZATION FOR THE HEALTH CARE SERVICES TO THE EXTERNAL PROVIDERS.

(3) "CONTRACTING PROVIDER" MEANS A PHYSICIAN OR OTHER HEALTH CARE PROVIDER WHO ENTERS INTO AN ADMINISTRATIVE SERVICE PROVIDER CONTRACT WITH A HEALTH MAINTENANCE ORGANIZATION.

(4) "EXTERNAL PROVIDER" MEANS A HEALTH CARE PROVIDER, INCLUDING A PHYSICIAN OR HOSPITAL, WHO IS NOT:

(I) A CONTRACTING PROVIDER; OR

(II) AN EMPLOYEE, SHAREHOLDER, OR PARTNER OF A CONTRACTING PROVIDER.

(B) A HEALTH MAINTENANCE ORGANIZATION MAY NOT ENTER INTO AN ADMINISTRATIVE SERVICE PROVIDER CONTRACT UNLESS:

(1) THE HEALTH MAINTENANCE ORGANIZATION FILES WITH THE INSURANCE COMMISSIONER A PLAN THAT SATISFIES THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION; AND

(2) THE INSURANCE COMMISSIONER DOES NOT DISAPPROVE THE FILING WITHIN 30 DAYS AFTER THE PLAN IS FILED.

(C) THE PLAN REQUIRED UNDER SUBSECTION (B) OF THIS SECTION SHALL:

(1) REQUIRE THE CONTRACTING PROVIDER TO PROVIDE THE HEALTH MAINTENANCE ORGANIZATION WITH REGULAR REPORTS, AT LEAST QUARTERLY, THAT IDENTIFY PAYMENTS MADE OR OWED TO EXTERNAL PROVIDERS IN SUFFICIENT DETAIL TO DETERMINE IF THE PAYMENTS ARE BEING MADE IN COMPLIANCE WITH LAW;