Overview

Under current law, the department of health is the sole regulator of health maintenance organizations (HMOs). This bill splits regulation of HMOs between the department of health and the department of commerce. It also splits regulation of three other types of risk-bearing entities permitted under recent legislation, namely community integrated service networks (CISNs), health care cooperatives, and community purchasing arrangements. In general, the department of health retains responsibility for regulating the quality of care, while the department of commerce gets the responsibility for financial regulation and becomes the principal regulator. Most sections of this bill are technical conforming changes, changing references to the commissioner responsible for regulation.

Section

Article 1

Health Maintenance Organizations

1 State policy. Conforming change.
2 Commissioner. Changes definition of "commissioner." This is the operative change in this article, giving some regulatory authority over health maintenance organizations (HMOs) to the commissioner of commerce.
3 Quality of care. Adds a definition of this term, for purposes of specifying the authority of the commissioner of health.-646 Conforming and technical changes.-878 Splits authority to determine issues involving whether to license an HMO.9 Conforming changes.10 Continued compliance. Gives commissioner of health authority to make the initial
determination of continuing compliance with quality of care requirements.

Conforming changes.

Requires notice to commissioner of health of proposed changes in health-related documents previously approved.

Requires HMOs to file an annual report with both commissioners.

Conforming change.

Requires filing annual report with both commissioners. Adds a reference to chapter 45.

Add reference to chapter 45, which is the commerce department's general enforcement provisions.

Conforming changes.

Expedites resolution of complaints. Permits either commissioner to require HMOs to use an expedited review for complaints about denials of urgently-needed care.

Permits either commissioner to have access to an HMO's own records of complaints.

Conforming change.

Referral to commissioner of health. Requires commissioner of commerce to determine whether a complaint relates primarily to quality of care and, if so, to refer it to the commissioner of health. Specifies enforcement authority for commissioner of health.

Conforming and technical changes.

Geographic accessibility. Gives the commissioner of health authority to ensure that HMOs provide adequate geographic accessibility to care.

Conforming change.

Provides that the commissioner of commerce may arrange for the commissioner of health to inspect or evaluate quality of services provided by HMOs.

Permits either commissioner to access patient data if necessary.

Gives both commissioners investigatory powers under this chapter.

Conforming changes.

Requires the commissioner of commerce, when disciplining HMOs, to consider any recommendations made by the commissioner of health.

Conforming change.

Conforming and technical changes. Eliminates enforcement language that conflicts with chapter 45.

Conforming changes.

Provides roles for both commissioners in coordinating with Medicare.

Conforming change.

Authority to contract. Permits the commissioner of commerce to contract with the commissioner of health for advice.

Conforming changes.

Report; uniform regulation of health plan companies. Requires both commissioners to study
and report to the legislature on consistent regulation of all health plan companies and similar risk-bearing entities, regardless of type.

58 **Effect of transfer of responsibility.** Provides that the standard statute governing transfer of responsibilities from one department to another applies to this act.

59 **Repealer.** Repeals a section involving procedures for rehabilitation or liquidation of insolvent HMOs. That section is no longer needed, since this bill makes HMOs subject to the standard chapter 60B procedures for insolvent insurers.

60 **Effective date.** Makes this article effective July 1, 2000.

**Article 2**

**Community Integrated Service Networks, Health Care Cooperatives, and Community Purchasing Arrangements**

1 **Commissioner.** Provides that regulation of community integrated service networks (CISNs) will be split between the two commissioners.

Conforming changes.

4 **Commissioner.** Provides that regulation of health care cooperatives regulated under chapter 62R will be split between the two commissioners.

5 Conforming change.

6 **Commissioner.** Provides that regulation of community purchasing arrangements regulated under chapter 62T will be split between the two commissioners.

7 **Effective date.** Makes this article effective July 1, 2000.

**Article 3**

**Conforming Changes**

This article makes changes in other chapters of statutes to conform to articles 1 and 2 of this bill.