IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

Health & Disability Insurance

Chapter 18.04.04 –The Managed Care Reform Act Rule

Who does this rule apply to?
This rule applies to managed care organizations.

What is the purpose of this rule?
The purpose of this rule implements the Managed Reform Act by defining and establishing operating procedures.

What is the legal authority for the agency to promulgate this rule?
This rule implements the following statute passed by the Idaho Legislature:

- 41-39, et seq., Idaho Code - Managed Care Reform

Who do I contact for more information on this rule?

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This rule chapter will be reviewed in compliance with Section 67-5292, Idaho Code, and in accordance with the 8-year rule review schedule linked here.

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000. LEGAL AUTHORITY.
Title 41, Chapters 2 and 39, Idaho Code. (7-1-24)

001. SCOPE.
This rule defines procedures to be followed in establishing and operating a Managed Care Organization. (7-1-24)

002. -- 009. (RESERVED)

010. DEFINITIONS.

01. Balance Billing. The practice whereby a provider bills an individual covered under the benefit plan for the difference between the amount the provider normally charges for a service and the amount the plan, policy, or contract recognizes as the allowable charge or negotiated price for the service delivered. (7-1-24)

02. MCO. Managed Care Organizations is abbreviated to MCO in this rule. (7-1-24)

03. MCO Provider. MCO provider means any provider owned, managed, employed by, or under contract with an MCO to provide health care services to MCO members. An MCO provider includes a physician, hospital, or other person licensed or authorized to furnish health care services. (7-1-24)

011. CAPITAL SURPLUS AND DEPOSIT REQUIREMENTS.

01. Amount. The following minimum capital fund apply, as per Section 41-3905(8), Idaho Code:

Enrolled Members	Capital Funds
0-100	$200,000
101-300	$300,000
301-500	$400,000
501-700	$500,000
701-1,000	$1,000,000
1,001-2,000	$1,500,000
2,001-3,000	$2,000,000

(7-1-24)

02. Time. Within the following time periods after the organization becomes subject to the Act, in no event will the organization's capital funds be less than:

One year	$1,000,000
Two years	$1,500,000
Three years	$2,000,000

(7-1-24)

a. Immediately upon becoming subject to the Act, the MCO's minimum statutory deposit requirements is calculated as fifty percent (50%) of the amount of the organization's Capital funds as calculated above up to a maximum of one million dollars ($1,000,000), but not less than two hundred thousand dollars ($200,000). The amount of the deposit so held by the Department is adjusted based on the organization's December 31st and June 30th financial statement filings each year. In no event will the minimum prescribed statutory deposit amount be reduced. Upon notification by the Department of the necessary increase in the deposit amount, the organization will have no more than thirty (30) days to come into compliance with the prescribed amount. Failure to increase the deposit as prescribed will subject the organization to suspension or revocation of its certificate of authority pursuant to Section 41-326, Idaho Code. (3-31-22)

012. SOLICITATION PRIOR TO ISSUANCE OF CERTIFICATE OF AUTHORITY.
Before contacting potential enrollees or subscribers, the proposed MCO will submit in writing for approval, copies of brochures, advertising or solicitation materials, sales talks or any other procedures or methods to be used. (7-1-24)

013. ANNUAL STATEMENT.
The MCO will file an annual statement in accordance with Section 41-335, Idaho Code. (7-1-24)

014. AUDIT REPORT.
The MCO will file its annual audited financial report described in Section 41-3910, Idaho Code, in accordance with IDAPA 18.07.04, "Annual Audited Financial Reports." It will include the annual disclosure material described in Section 41-3914, Idaho Code, and the grievance report described in Section 41-3918, Idaho Code. (7-1-24)

015. PERSONNEL AND FACILITIES LISTING.

01. Current Listing. The MCO will always keep a current list of all personnel, providers and facilities employed, retained or under contract to furnish health care services to enrollees. This list is to be made available to the Director upon request. (7-1-24)

02. Allowable Expense -- No Balance Billing. No MCO provider or other provider accepting a referral from an MCO, who treats or provides services to an individual covered by the MCO, may charge to or collect from any member or other beneficiary any amount in excess of that amount of compensation determined or allowed for a particular service by the MCO or by the administrator for the MCO. Nothing in this section prevents the collection of any copayments, coinsurance, or deductibles allowed for in the plan design. (7-1-24)

03. Procedures for Basic Care and Referrals. The MCO will provide basic health care to enrollees through an organized system of health care providers. In plans in which referrals to specialty physicians and ancillary services are prescribed, the MCO provider or the MCO will initiate the referrals. The MCO will inform its providers of their responsibility to provide written referrals and any specific procedures that need to be followed in providing referrals, including prohibition of balance billing. (7-1-24)

04. Health Care Services to Be Accessible. The MCO, either directly or through its organized system of health care providers, will arrange for covered health care services, including referrals to providers within the organized system of health care providers and noncontracting providers, to be accessible to enrollees on a timely basis in accordance with medically appropriate guidelines consistent with generally accepted practice parameters. (7-1-24)

05. Out of Network Services. In the case of provider care which is delivered outside of the organized system of health care providers or defined referral system, the MCO will alert those covered under health benefit plans to the fact that providers which are not MCO providers, or have not accepted written referrals, may balance bill the customer for amounts above the MCO's maximum allowance. Consumers should be encouraged to discuss the issue with their providers (7-1-24)

016. -- 999. (RESERVED)