

31A-34-109 Operation of alliances.

An alliance shall:

- (1) be operated by its board;
- (2) contract with at least three insurers unaffiliated with each other to ensure that enrollees have a choice from among a reasonable number of competing insurers and types of health benefit plans. The commissioner may, by order, modify this requirement to allow an alliance to contract with only two unaffiliated insurers if the commissioner finds that modification of this requirement may enhance competitive cost, quality, or access in the pricing and delivery of health insurance and that such modification does not prejudice the interests of potential members or enrollees;
- (3) develop standard enrollment procedures;
- (4) prepare and distribute educational materials, plan descriptions, and comparison sheets describing contracted insurers and the health benefit plans available through the alliance to prospective members;
- (5) receive, review, and act, as appropriate, on grievances by members and enrollees;
- (6) establish administrative and accounting procedures for operating the alliance and for providing services to members and enrollees;
- (7) prepare an annual report for the commissioner on the operations of the alliance no later than March 1, which shall include an accounting of all revenues received by the alliance, internal and independent audits, and other related information as the commissioner may require;
- (8) establish procedures for billing and collecting premiums from members;
- (9) establish procedures that allow an enrollee to transfer at least once each year to another health benefit plan that is comparable in benefits and is available through the alliance;
- (10) deposit and maintain all money received and collected for the operation of the alliance in trust with the clear understanding that the alliance, its board, employees, and agents have a fiduciary duty to safeguard the money it receives, pursue funds that are owed, pay outstanding obligations, and account fully to alliance members and the commissioner; and
- (11) establish marketing standards to be used by contracted insurers.

Enacted by Chapter 143, 1996 General Session