

31A-8-408 Organizations offering point of service or point of sales products.

Effective July 1, 1991, a health maintenance organization offering products that permit members the option of obtaining covered services from a noncontracted provider, which is a point of service or point of sale product, shall comply with the requirements of Subsections (1) through (7).

- (1) The cost of an encounter with a noncontracted provider is considered an uncovered expenditure as defined in Section 31A-8-101.
- (2)
 - (a) An organization shall report to the commissioner on a monthly basis the number of encounters with contracted and noncontracted providers if the organization offers to sell a:
 - (i) point of service product; or
 - (ii) point of sale product.
 - (b) The commissioner shall:
 - (i) define the form, content, and due date of the report required by this Subsection (2); and
 - (ii) require audited reports of the information on a yearly basis.
- (3) An organization may not offer a point of service product or a point of sale product unless the organization has secured contracts with participating providers located within the organization's service area for each covered service other than those unusual or infrequently used health services that are not available from the organization's health care providers.
- (4) An organization may not enroll a member who does not work or reside in the service area as defined by rule, except this Subsection (4) does not apply to a dependent of an enrollee.
- (5) Any organization that exceeds the 10% limit of unusual or infrequently used health services as defined in Section 31A-8-101 is subject to a forfeiture of up to \$50 per encounter.
- (6) An organization shall disclose to employees and members the existence of the 10% limit:
 - (a) at enrollment; or
 - (b) prior to enrollment.
- (7) The commissioner shall hold hearings and adopt rules providing any additional limitations or requirements necessary to secure the public interest in conformity with this section.

Amended by Chapter 308, 2002 General Session