

**304.17A-545 Medical director for managed care plan -- Duties -- Quality assurance or improvement standards -- Process to select health care providers -- Uniform application form and guidelines for health care provider evaluations.**

- (1) A managed care plan shall appoint a medical director who:
  - (a) Is a physician licensed to practice in this state;
  - (b) Is in good standing with the State Board of Medical Licensure;
  - (c) Has not had his or her license revoked or suspended, under KRS 311.530 to 311.620;
  - (d) Shall sign any denial letter required under KRS 304.17A-540; and
  - (e) Shall be responsible for the treatment policies, protocols, quality assurance activities, and utilization management decisions of the plan.
- (2) The medical director shall ensure that:
  - (a) Any utilization management decision to deny, reduce, or terminate a health care benefit or to deny payment for a health care service because that service is not medically necessary shall be made by a physician, except in the case of a health care service rendered by a chiropractor or optometrist, that decision shall be made respectively by a chiropractor or optometrist duly licensed in Kentucky;
  - (b) A utilization management decision shall not retrospectively deny coverage for health care services provided to a covered person when prior approval has been obtained from the insurer for those services, unless the approval was based upon fraudulent, materially inaccurate, or misrepresented information submitted by the covered person or the participating provider;
  - (c) In the case of a managed care plan, a procedure is implemented whereby participating physicians have an opportunity to review and comment on all medical and surgical and emergency room protocols, respectively, of the insurer and whereby other participating providers have an opportunity to review and comment on all of the insurer's protocols that are within the provider's legally authorized scope of practice;
  - (d) The utilization management program is available to respond to authorization requests for urgent services and is available, at a minimum, during normal working hours for inquiries and authorization requests for nonurgent health care services; and
  - (e) In the case of a managed care plan, a covered person is permitted to choose or change a primary care provider from among participating providers in the provider network and, when appropriate, choose a specialist from among participating network providers following an authorized referral, if required by the insurer, and subject to the ability of the specialist to accept new patients.
- (3) A managed care plan shall develop comprehensive quality assurance or improvement standards adequate to identify, evaluate, and remedy problems relating to access, continuity, and quality of health care services. These standards shall be made available to the public during regular business hours and include:

- (a) An ongoing written, internal quality assurance or improvement program;
  - (b) Specific written guidelines for quality of care studies and monitoring, including attention to vulnerable populations;
  - (c) Performance and clinical outcomes-based criteria;
  - (d) A procedure for remedial action to correct quality problems, including written procedures for taking appropriate corrective action;
  - (e) A plan for data gathering and assessment; and
  - (f) A peer review process.
- (4) Each managed care plan shall have a process for the selection of health care providers who will be on the plan's list of participating providers, with written policies and procedures for review and approval used by the plan.
- (a) The plan shall establish minimum professional requirements for participating health care providers. An insurer may not discriminate against a provider solely on the basis of the provider's license by the state;
  - (b) The plan shall demonstrate that it has consulted with appropriately qualified health care providers to establish the minimum professional requirements;
  - (c) The plan's selection process shall include verification of each health care provider's license, history of license suspension or revocation, and liability claims history;
  - (d) A managed care plan shall establish a formal written, ongoing process for the reevaluation of each participating health care provider within a specified number of years after the provider's initial acceptance into the plan. The reevaluation shall include an update of the previous review criteria and an assessment of the provider's performance pattern based on criteria such as enrollee clinical outcomes, number of complaints, and malpractice actions.
- (5) The commissioner shall promulgate administrative regulations to establish a uniform application form and guidelines for the evaluation and reevaluation of health care providers, including psychologists, who will be on the plan's list of participating providers in accordance with subsection (4) of this section. In developing a uniform application and guidelines, the department shall consider industry standards and guidelines adopted by the Council for Affordable Quality Healthcare. The uniform application form and guidelines shall be used by all insurers.
- (6) A managed care plan shall not use a health care provider beyond, or outside of, the provider's legally authorized scope of practice.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 24, sec. 1231, effective July 15, 2010. -- Amended 2005 Ky. Acts ch. 144, sec. 8, effective June 20, 2005. -- Amended 2000 Ky. Acts ch. 383, sec. 1, effective July 14, 2000; and ch. 521, sec. 17, effective July 14, 2000. -- Created 1998 Ky. Acts ch. 496, sec. 34, effective April 10, 1998.