

**304.17A-627 Certification as independent review entity -- Requirements and restrictions.**

- (1) To be certified as an independent review entity under this chapter, an organization shall submit to the department an application on a form required by the department. The application shall include the following:
  - (a) The name of each stockholder or owner of more than five percent (5%) of any stock or options for an applicant;
  - (b) The name of any holder of bonds or notes of the applicant that exceeds one hundred thousand dollars (\$100,000);
  - (c) The name and type of business of each corporation or other organization that the applicant controls or with which it is affiliated and the nature and extent of the affiliation or control;
  - (d) The name and a biographical sketch of each director, officer, and executive of the applicant and any entity listed under paragraph (c) of this subsection and a description of any relationship the named individual has with an insurer as defined in KRS 304.17A-600 or a provider of health care services;
  - (e) The percentage of the applicant's revenues that are anticipated to be derived from independent reviews;
  - (f) A description of the minimum qualifications employed by the independent review entity to select health care professionals to perform external review, their areas of expertise, and the medical credentials of the health care professionals currently available to perform external reviews; and
  - (g) The procedures to be used by the independent review entity in making review determinations.
- (2) If at any time there is a material change in the information included in the application, provided for in subsection (1) of this section, the independent review entity shall submit updated information to the department.
- (3) An independent review entity shall not be a subsidiary of, or in any way affiliated with, or owned, or controlled by an insurer or a trade or professional association of payors.
- (4) An independent review entity shall not be a subsidiary of, or in any way affiliated with, or owned, or controlled by a trade or professional association of providers.
- (5) Health care professionals who are acting as reviewers for the independent review entity shall hold in good standing a nonrestricted license in a state of the United States.
- (6) Health care professionals who are acting as reviewers for the independent review entity shall hold a current certification by a recognized American medical specialty board or other recognized health care professional boards in the area appropriate to the subject of the review, be a specialist in the treatment of the covered person's medical condition under review, and have actual clinical experience in that medical condition.

- (7) The independent review entity shall have a quality assurance mechanism to ensure the timeliness and quality of the review, the qualifications and independence of the physician reviewer, and the confidentiality of medical records and review material.
- (8) Neither the independent review entity nor any reviewers of the entity, shall have any material, professional, familial, or financial conflict of interest with any of the following:
  - (a) The insurer involved in the review;
  - (b) Any officer, director, or management employee of the insurer;
  - (c) The provider proposing the service or treatment or any associated independent practice association;
  - (d) The institution at which the service or treatment would be provided;
  - (e) The development or manufacture of the principal drug, device, procedure, or other therapy proposed for the covered person whose treatment is under review; or
  - (f) The covered person.
- (9) As used in this section, "conflict of interest" shall not be interpreted to include:
  - (a) A contract under which an academic medical center or other similar medical center provides health care services to covered persons, except for academic medical centers that may provide the service under review;
  - (b) Provider affiliations which are limited to staff privileges; or
  - (c) A specialist reviewer's relationship with an insurer as a contracting health care provider, except for a specialist reviewer proposing to provide the service under review.
- (10) On an annual basis, the independent review entity shall report to the department the following information:
  - (a) The number of independent review decisions in favor of covered persons;
  - (b) The number of independent review decisions in favor of insurers;
  - (c) The average turnaround time for an independent review decision;
  - (d) The number of cases in which the independent review entity did not reach a decision in the time specified in statute or administrative regulation; and
  - (e) The reasons for any delay.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 24, sec. 1243, effective July 15, 2010. -- Amended 2004 Ky. Acts ch. 59, sec. 15, effective July 13, 2004. -- Created 2000 Ky. Acts ch. 262, sec. 14, effective July 14, 2000.