

**304.17C-050 Standards for providers -- Mechanism for acting upon applications --  
Policy governing removal of providers from network.**

- (1) Insurers shall establish relevant, objective standards for initial consideration of providers and for providers to continue as a participating provider in the plan. Standards shall be reasonably related to services provided. Selection or participation standards based on the economics or capacity of a provider's practice shall be adjusted to account for case mix, severity of illness, patient age, and other features that may account for higher-than-expected or lower-than-expected costs. All data profiling or other data analysis pertaining to participating providers shall be done in a manner which is valid and reasonable. Plans shall not use criteria that would allow an insurer to avoid high-risk populations by excluding providers because they are located in geographic areas that contain populations or providers presenting a risk of higher than average claims, losses, or health services utilization, or that would exclude providers because they treat or specialize in treating populations presenting a risk of higher than average claims, losses, or health services utilization.
- (2) Each insurer shall establish mechanisms for soliciting and acting upon applications for provider participation in the plan in a fair and systematic manner. These mechanisms shall, at a minimum, include:
  - (a) Allowing all providers who desire to apply for participation in the plan an opportunity to apply at any time during the year, or, where an insurer does not conduct open continuous provider enrollment, conducting a provider enrollment period at least annually with the date publicized to providers located in the geographic service area of the plan at least thirty (30) days in advance of the enrollment period; and
  - (b) Making criteria for provider participation in the plan available to all applicants.
- (3) An insurer that offers a limited health service benefit plan shall establish a policy governing the removal of and withdrawal by health care providers from the provider network that includes the following:
  - (a) The insurer shall inform a participating health care provider of the insurer's removal and withdrawal policy at the time the insurer contracts with the health care provider to participate in the provider network, and when changed thereafter;
  - (b) If a participating health care provider's participation will be terminated or withdrawn prior to the date of the termination of the contract as a result of a professional review action, the insurer and participating health care provider shall comply with the standards in 42 U.S.C. sec. 11112; and
  - (c) If the insurer finds that a health care provider represents an imminent danger to an individual patient or to the public health, safety, or welfare, the medical director shall promptly notify the appropriate professional state licensing board.

**Effective:** July 15, 2002

**History:** Created 2002 Ky. Acts ch. 105, sec. 6, effective July 15, 2002.