

SECTION .0600 - SIGNIFICANT MODIFICATIONS TO HMO OPERATIONS

11 NCAC 20 .0601 APPLICATIONS FOR MODIFICATIONS TO SERVICE AREAS OR PRODUCT LINES

(a) All requests to expand an HMO's service area shall be submitted in electronic format as an application to the Division for review and approval. The application shall include the following information:

- (1) a description of operational changes that will result from the expansion;
- (2) financial and actuarial information as required by 11 NCAC 11C .0311 and 11 NCAC 16 .0605;
- (3) a description of provider interest and network development in the service area requested and information as to the HMO's existing provider network; and
- (4) copies of any form contracts to be made as a result of the expansion, including providers and subcontractors.

(b) Material changes in the product lines offered by an HMO shall be submitted in electronic format as an application to the Division for review and approval. For the purposes of this Section, "material changes" include the addition of a point of service product, or the addition of or changes to the HMO's existing health care delivery model, such as the addition of an IPA product or group model product or the addition of a gatekeeper product. The application shall include the following information:

- (1) a description of operational changes that will result from the expansion;
- (2) financial and actuarial information as required by 11 NCAC 11C .0311 and 11 NCAC 16 .0605;
- (3) a description of provider interest and network development in the service area requested and information as to the HMO's existing provider network; and
- (4) copies of form contracts to be made as a result of the expansion, including providers and subcontractors.

(c) Notice of the addition of an intermediary shall be submitted by an HMO in writing to the Division within 30 days after the execution of the contract for the intermediary's services.

(d) Notice of the deletion of an intermediary shall be submitted by the HMO in writing within 30 days after termination of the contract, unless termination is immediate, along with a plan to select another intermediary or for the HMO to perform the formerly delegated functions in-house.

(e) All changes to provider and intermediary contract forms shall be submitted to the Division for review and approval in accordance with Rule .0203 of this Chapter prior to the use of the amended form.

(f) Each HMO shall submit written notice to the Division of its intent to engage in any arrangement through which the HMO owns, controls, or manages any operations of another HMO in any other state, before entering into the arrangement.

*History Note: Authority G.S. 58-2-40; 58-67-10; 58-67-150;
Eff. October 1, 1996;
Readopted Eff. December 1, 2017.*