

ALABAMA STATE COMMITTEE OF PUBLIC HEALTH
BUREAU OF HEALTH PROVIDER STANDARDS
DIVISION OF MANAGED CARE COMPLIANCE
ADMINISTRATIVE CODE

CHAPTER 420-5-6
HEALTH MAINTENANCE ORGANIZATIONS

420-5-6-.01 General.

(1) Statutory Authority for Adoption of Rules. Under and by virtue of authority vested in it by the Legislature of Alabama, Code of Ala. 1975, §§22-2-2(6), et seq., §§22-21-20, et seq., §§27-21A-1, et seq., Health Maintenance Organizations are required to be regulated by the Alabama Department of Public Health. The State Board of Health does hereby adopt and promulgate this Chapter.

(2) Applicability.

(a) These Rules shall be applicable to all persons who propose to establish and operate a health maintenance organization or who currently operate a health maintenance organization under Code of Ala. 1975, §§22-21-20 et seq., and §§27-21A-1, et seq.

(3) Definitions.

(a) "Delegation" means a formal process by which a health maintenance organization and an applicant organization gives another entity the authority to perform certain functions on its behalf, such as credentialing, utilization management, and quality improvement. Although the health maintenance organization and applicant organization can delegate the authority to perform a function, it cannot delegate the responsibility for ensuring that the function is performed appropriately.

(b) "Department" means the Alabama Department of Public Health.

(c) "Enrollee" means an individual who is enrolled in a health maintenance organization.

(d) "Governing Body" means a board of directors, or other individuals which have the authority to establish policy for the health maintenance organization and in which ultimate responsibility and authority for the conduct of the health maintenance organization is vested.

(e) "Health Care Services" means any services included in the furnishing to any individual of medical or dental care, or hospitalization or incident to the furnishing of such care or

hospitalization, as well as the furnishing to any person of any and all other services for the purpose of preventing, alleviating, curing or healing human illness, injury or physical disability. Nothing in this definition and nothing in these Rules shall be construed to authorize any person employed by, or contracting with, a health maintenance organization to engage in the practice of medicine unless that person is licensed to practice medicine or to perform any act or render any medical service which act or service requires that the individual be licensed by an appropriate licensing agency of the State of Alabama or certified by the Secretary of Health and Human Services for Medicare participation and that person has complied with Alabama Health Planning Laws, §§22-21-260, et seq. The fact that an employer purchases health care services from a health maintenance organization does not make the employer responsible for the provision of those services.

(f) "Health Maintenance Organization" means any person that undertakes to provide, or arrange for, basic health care services through an organized system which combines the delivery and financing of health care to enrollees. The organization shall provide physician services directly through physician employees or under contractual arrangements with either individual physicians or a group or groups of physicians. The organization shall provide basic health care services directly or under contractual arrangements. When reasonable and appropriate, the organization may provide physician services and basic health care services through other arrangements. The organization may provide, or arrange for, health care services on a prepayment or other financial basis.

(g) "Physician" means a doctor of medicine or doctor of osteopathy licensed to practice medicine by the Medical Licensure Commission of Alabama or licensed to practice in the locale in which the patient is treated.

(h) "Primary Care Provider" means a physician currently licensed in the state in which he/she practices who supervises, coordinates, provides initial and basic care to enrollees, maintains continuity of care for enrollees and initiates referrals for specialist care. The primary care provider is responsible for the medical management of the health maintenance organization enrollee's health. The care of episodic illness alone does not constitute the role of a primary care provider. A physician's assistant or a certified registered nurse practitioner may perform certain of the above activities with appropriate physician oversight as prescribed by law.

(i) "Provider" means any physician, hospital or other person or organization licensed and practicing within the scope of

such a license or otherwise authorized in the state in which he/she practices to furnish health care services.

(j) "State Health Officer" means the executive officer of the Alabama Department of Public Health.

Author: Department of Public Health

Statutory Authority: Code of Ala. 1975, §§22-2-2(6), et seq., 22-21-20, et seq., 27-21A-1, et seq.

History: Filed September 1, 1982. **Repealed and New Rule adopted in lieu thereof:** Filed March 31, 1987. **Amended:** Filed January 20, 1999; effective February 24, 1999.