

TITLE 50: INSURANCE
PART 5421 HEALTH MAINTENANCE ORGANIZATION
CHAPTER I: DEPARTMENT OF INSURANCE

Section 5421.113 Point of Service Plan Requirements

- a) The filing as described herein shall be comprised of an HMO filing and an indemnity filing. Such filing shall be coordinated by the HMO. The filing must contain reasonable financial incentives for point of service members to utilize HMO services provided or arranged by the designated HMO primary care physician and shall include:
 - 1) Copies of all policy forms necessary to implement the point of service product, including the member handbook used to integrate the services provided by the HMO and the benefits provided by the indemnity carrier.
 - 2) Enrollment application and member identification card disclosing the name of both the HMO and indemnity carrier.
 - 3) Solicitation material.
 - 4) Copies of all contracts required by Section 5421.50 of this Part between the HMO and affiliated indemnity carrier detailing their respective responsibilities and obligations in offering a point of service product.
 - 5) The HMO shall include in its rate filing the rate level justification and a demonstration of how the out-of-network indemnity benefits to be provided by the affiliated indemnity carrier will impact on the HMO's rates and underlying utilization assumptions. Such documentation shall be deemed confidential by the Department unless specific authorization is given by the HMO.
 - 6) Written descriptions and illustrative flow charts of how the premium is received and distributed in a timely fashion and how claims will be handled for payment.
 - 7) A comparison of benefits offered by the HMO carrier and the indemnity carrier.
- b) Out-of-network claims shall be filed with the HMO. The HMO is responsible for coordinating payment of all claims.
- c) Covered services rendered by a participating physician without proper authorization shall be covered at the out-of-network benefit level.
- d) For purposes of coordination of benefits, the two policies comprising the point of service product shall be considered to be one policy.
- e) For purposes of conversion and State continuation, the HMO shall provide each enrollee who has a POS plan the right to convert to either an HMO option or indemnity option. The HMO may, but is not required to, offer the enrollee the right to continue under a POS option. Once the enrollee has chosen an option, the other plan's options will no longer be available. Should the enrollee choose to continue or convert coverage under a point of service plan, then such plan shall meet applicable standards for Illinois conversion or continuation requirements. In the event of any inconsistency between these standards, then the most favorable to the enrollee shall apply.

(Source: Added at 20 Ill. Reg. 10639, effective July 25, 1996)