

304.17B-007 Department's duties in operation and administration of Kentucky Access.

In its duties to operate and administer Kentucky Access, the department shall, through itself or designated agents:

- (1) Establish administrative and accounting procedures for the operation of Kentucky Access;
- (2) Enter into contracts as necessary;
- (3) Take legal action necessary:
 - (a) To avoid the payment of improper claims against Kentucky Access or the coverage provided by or through Kentucky Access;
 - (b) To recover any amounts erroneously or improperly paid by Kentucky Access;
 - (c) To recover any amounts paid by the Kentucky Access as a result of mistake of fact or law;
 - (d) To recover other amounts due Kentucky Access; or
 - (e) To operate and administer its obligations under the provisions of KRS 304.17B-001 to 304.17B-031;
- (4) Establish, and modify as appropriate, rates, rate schedules, rate adjustments, premium rates, expense allowances, claim reserve formulas, and any other actuarial function appropriate to the administration and operation of Kentucky Access. Premium rates and rate schedules may be adjusted for appropriate factors, including, but not limited to, age and sex, and shall take into consideration appropriate factors in accordance with established actuarial and underwriting practices;
- (5) Establish procedures under which applicants and participants in Kentucky Access shall have an internal grievance process and a mechanism for external review through an independent review organization in accordance with this chapter;
- (6) Select a third-party administrator in accordance with KRS 304.17B-011;
- (7) Require that all health benefit plans, riders, endorsements, or other forms and documents used to administer Kentucky Access meet the requirements of Subtitles 12, 14, 17, 17A, and 38 of this chapter;
- (8) Adopt nationally recognized uniform claim forms in accordance with this chapter;
- (9) Develop and implement a marketing strategy to publicize the existence of Kentucky Access, including, but not limited to, eligibility requirements, procedures for enrollment, premium rates, and a toll-free telephone number to call for questions;
- (10) Establish and review annually provider reimbursement rates that ensure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under Kentucky Access at least to the extent that such care and services are available to the general population. The department shall only authorize contracts with health care providers that prohibit the provider from collecting from the enrollee any amounts in excess of copayment amounts, coinsurance amounts, deductible amounts, and amounts for noncovered services;

- (11) Conduct periodic audits to assure the general accuracy of the financial and claims data submitted to the department and be subject to an annual audit of its operations;
- (12) Issue health benefit plans January 1, 2001, or thereafter, in accordance with the requirements of KRS 304.17B-001 to 304.17B-031;
- (13) Require a referral fee of fifty dollars (\$50) to be paid to agents who refer applicants who are subsequently enrolled in Kentucky Access. The referral fee shall be paid only on the initial enrollment of an applicant. Referral fees shall not be paid on any enrollments of enrollees who have been previously enrolled in Kentucky Access, or for renewals for enrollees;
- (14) Bill and collect premiums from enrollees in the amount determined by the department;
- (15) Assess insurers and stop-loss carriers in accordance with KRS 304.17B-021;
- (16) Reimburse GAP participating insurers for GAP losses pursuant to KRS 304.17B-021;
- (17) Establish a provider network for Kentucky Access by developing a statewide provider network or by contracting with an insurer for a statewide provider network. In the event the department contracts with an insurer, the department may take into consideration factors including, but not limited to, the size of the provider network, the composition of the provider network, and the current market rate of the provider network. The provider network shall be made available to the third-party administrator specified in KRS 304.17B-011 and shall be limited to Kentucky Access enrollees.
- (18) Be audited by the Auditor of Public Accounts;
- (19) By administrative regulation, amend the definition of high-cost conditions provided in KRS 304.17B-001 by adding other high-cost conditions;
- (20) The department shall report on an annual basis to the Interim Joint Committee on Banking and Insurance the separation plan pursuant to KRS 304.17A-080 for the division of duties and responsibilities between the operation of the Department of Insurance and the operation of Kentucky Access; and
- (21) Any other actions as may be necessary and proper for the execution of the department's powers, duties, and obligations under KRS 304.17B-001 to 304.17B-031.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1276, effective July 15, 2010. -- Created 2000 Ky. Acts ch. 476, sec. 4, effective July 14, 2000.