

**191—27.3(514F) Preferred provider arrangements.** Notwithstanding any provisions of law to the contrary, any health care insurer may enter into a preferred provider arrangement.

**27.3(1)** A preferred provider arrangement shall at minimum:

*a.* Establish the amount and manner of payment to the preferred provider. The amount and manner of payment may include capitation payments for preferred providers.

*b.* Include mechanisms which are designed to minimize the cost of the health benefit plan. These mechanisms may include among others:

(1) The review or control of utilization of health care costs.

(2) A procedure for determining whether health care services rendered are medically necessary.

*c.* Ensure reasonable access to covered services available under the preferred provider arrangement.

**27.3(2)** A preferred provider arrangement shall not unfairly deny health benefits for medically necessary covered services.

**27.3(3)** If an entity enters into a contract providing covered services with a health care provider, but is not engaged in activities which would require it to be licensed as a health care insurer, such entity shall file with the commissioner information describing its activities and a description of the contract or agreement it has entered into with the health care providers. An employer which contracts with health care providers for the exclusive benefit of that employer's employees and employees' dependents is exempt from this requirement. This exemption does not apply to any producer, agent, or administrator acting on behalf of one or more employers.

**27.3(4)** Rescinded IAB 7/14/99, effective 7/1/99.