

191—41.5(514B) Quality of care. Each LSO shall:

41.5(1) Advise the insurance division annually of the ratio of full-time providers and ancillary health personnel to enrollees to ensure an adequate network. Changes in the provider ratios shall be immediately reported together with action taken to correct any deficiencies in the ratios.

41.5(2) Provide assurance that all personnel engaged in the provision of health services to enrollees are currently licensed or certified by the appropriate state agency where the providers are located to practice their respective professions. These personnel shall be no less qualified in their respective professions than the current level of qualification, which is maintained in the providers' communities.

41.5(3) Provide assurance that any health care facilities utilized by the LSO are licensed by the appropriate state agency where the facilities are located. These facilities shall be accredited by the Joint Commission on Accreditation of Hospitals or the American Osteopathic Association; or they shall be certified as a provider for Medicare or Medicaid; or as otherwise accredited or licensed in accordance with state or federal law.

41.5(4) Have a qualified administrator designated by the governing body who shall be responsible for the management of the LSO.

41.5(5) Provide for an ongoing internal peer review program.

41.5(6) Maintain a provider records system which includes at a minimum the following information:

- a. Documentation of utilization rates for every enrollee.
- b. Patient's name, identification number, age, sex, and place of residence, and place of employment, if applicable.
- c. Services provided, when provided, where provided, and by whom.
- d. Provider diagnosis, treatment prescribed, therapy prescribed and drugs administered.
- e. Statement in regard to the status of the patient's health, as appropriate.

41.5(7) Provide by contract or other arrangement for peer review. The plans for internal and external peer review shall be submitted to the commissioner of insurance for approval.

a. Internal peer review shall be conducted by the LSO staff on a continuing basis using standards adopted by the applicable accrediting body as a general guide. Internal peer review shall be structured to review the specific type of services for which the LSO is responsible. This review shall include but not be limited to the following:

- (1) Utilization review and evaluation of the quality of services provided enrollees.
- (2) The process or method by which services are provided.
- (3) The outcome of services.

b. External review may be satisfied either by NCQA certification or meeting the requirements of the external review group appointed by the commissioner. The criteria and methodology for selection of an external review group (ERG) are as follows:

- (1) The commissioner will appoint an ERG based on the following criteria:
 1. The group's experience in evaluating the quality of service provided.
 2. The degree to which the group is representative of the LSOs to be reviewed.
 3. The degree to which the group is knowledgeable about the delivery of the services provided by the LSO in Iowa.
 4. The group's ability to coordinate its activities with other review groups and with practitioners and providers of health services in Iowa.
 5. The group's knowledge of current and accepted provider opinion and its ability to make qualitative evaluations of clinical practice.

(2) No provider shall review an LSO of which the provider is a member.

(3) Appointment of an ERG will be for a four-year period, and only one ERG will be appointed at a time. Applications for appointment or reappointment will be accepted between 180 days and 90 days before the expiration of the acting ERG's four-year term.

c. The following are criteria and methodology by which an ERG will evaluate the effectiveness of an LSO's peer review program:

- (1) The ERG will conduct an on-site inspection of each Iowa-certified LSO every two years.

(2) The inspection will consist of an interview with LSO staff and providers and a review of records (including clinical records of LSO patients) the ERG determines are necessary to conduct its inspection. The records may include any records or parts thereof maintained by the LSO or any of its provider members which pertain to LSO quality assurance operations or LSO patients, excluding financial records.

(3) The function of the ERG will be to make a qualitative evaluation of the effectiveness of an LSO's internal peer review program and to report its findings to the insurance division.

(4) The following items will be considered by the ERG in making its determination:

1. The extent and acuity of the LSO's peer review program in evaluating the clinical management of enrollees provided by LSO providers.

2. The ability of the LSO's program to identify aberrant practices in clinical management and to take appropriate disciplinary action.

3. The method within the LSO by which the peer review program reports its findings to the provider staff and the governing body.

4. The authority within the LSO to correct practices which the peer review program has found to be detrimental.

5. The system developed within the LSO to facilitate the work of the peer review program.

6. The commitment on the part of the LSO governing body and provider staff toward an active peer review program with a goal of quality assurance.

d. The following are procedures to be followed upon completion of an ERG's inspection:

(1) Within 30 days of the completion of its inspection, the ERG will submit a written report of its findings to the LSO.

(2) The LSO will have 45 days to respond to the ERG.

(3) The ERG must file its final report with the insurance division within 90 days of the completion of its inspection. The final report must include any comments received from the LSO.

(4) The insurance division may extend the time periods referred to in subparagraphs 41.5(7) "d"(1) to (3).

(5) After considering the report of the ERG, the insurance commissioner shall determine if the LSO's certificate of authority is to be continued, suspended or revoked.