

INITIAL PPO OPERATIONS FILING

GENERAL INSTRUCTIONS AND INFORMATION

**North Carolina Department of Insurance
Life and Health Division
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About The Initial PPO Operations Filing

In North Carolina, insurers are regulated by the North Carolina Department of Insurance. When a licensed insurer decides that it wants to market a PPO product in North Carolina, it must first make the necessary filings with, and obtain approval from, the Life and Health Division.

The Life and Health Division is responsible for reviewing many elements of the Insurer's proposed PPO product, including the provider and intermediary contracts, provider credentialing, provider availability/accessibility, utilization review, grievance procedures, etc. The insurer must clearly demonstrate, by submitting an "Initial PPO Operations Filing," that it has the infrastructure to adequately service insureds to be covered under its PPO product.

The Life and Health Division is responsible for reviewing member forms and benefit design, including the proposed Master Group Contract, Evidence (Certificate) of Coverage, Benefit Riders, Enrollment Forms, Change Forms, rates and marketing/advertising materials. These materials must be submitted under separate cover.

Pre-Filing Meeting

A pre-filing informational meeting (or conference call) is suggested. This advance communication is helpful to the insurer's proper completion of the Initial PPO Operations Filing and will facilitate a timely, smooth and successful review. Please contact the Life and Health Division to arrange the meeting.

Definition of "PPO Benefit Plan"

NCGS 58-50-56(a)(3), amended via the 2001 passage of House Bill 360 ("Health Insurance Omnibus Changes"), defines a preferred provider benefit plan as "*a health benefit plan offered by an insurer in which covered services are available from health care providers who are under a contract with the insurer in accordance with this section and in which enrollees are given incentives through differentials in deductibles, coinsurance, or copayments to obtain covered health care services from contracted health care providers.*"

Initial PPO Operations Filing Review Process (see flow chart on page 5 of this packet)

A Managed Care Analyst will be assigned to review the insurer's Initial PPO Operations Filing.

The insurer's credentialing program, intermediary contract forms, and provider contract forms will be reviewed first. Once the insurer has been notified that the Credentialing Program and provider/intermediary contract forms have been approved for use, the insurer may begin contracting and credentialing providers, even though the remainder of the filing may still be under review.

A Form and Rate Analyst will be assigned to review the member materials (filed under separate submission). The member form and rate materials will be approved only if the managed care components meet compliance. The insurer may commence marketing the PPO product in North Carolina after approval.

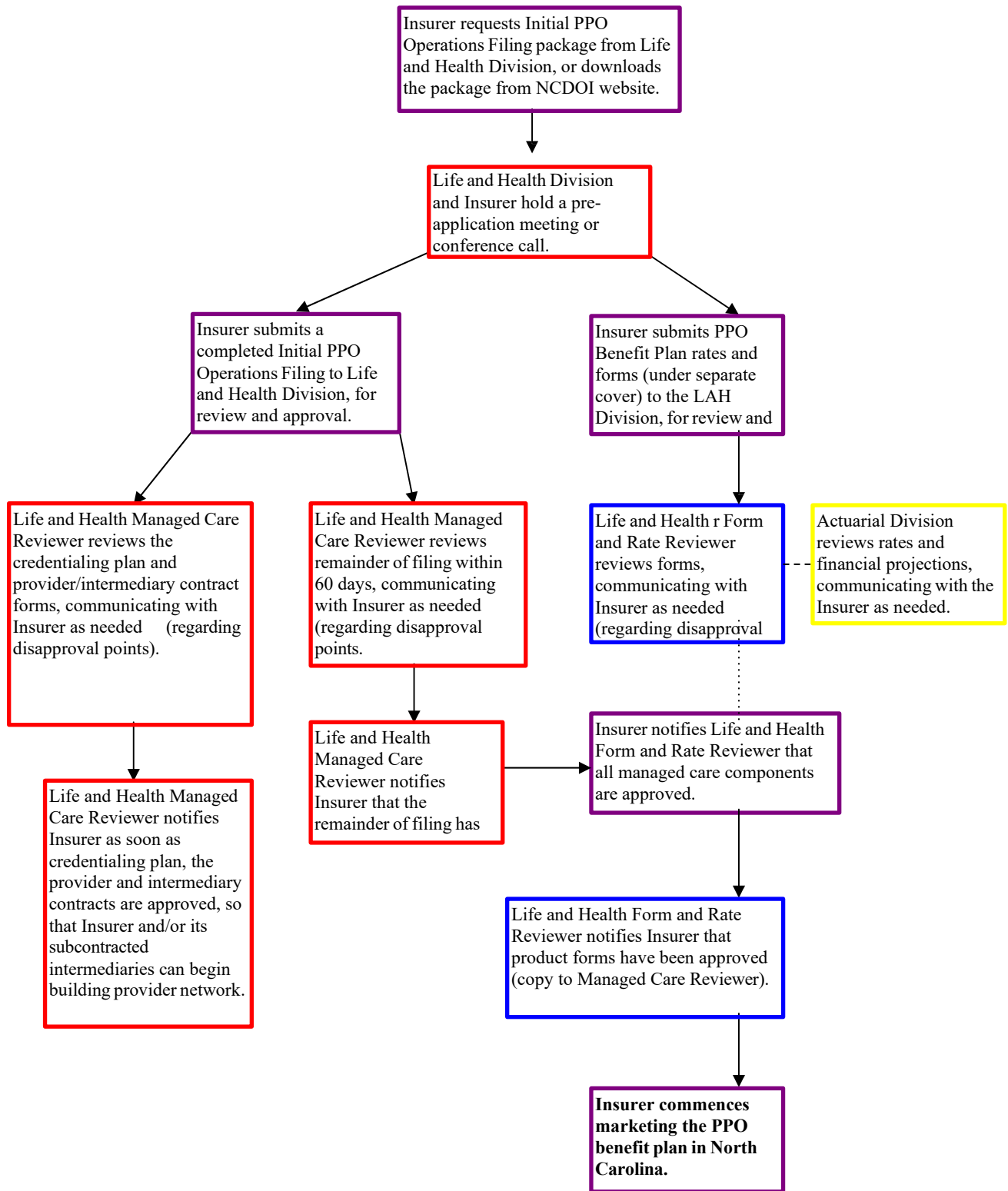
Addition of Intermediary Networks

After receiving initial approval to market a PPO benefit plan in North Carolina, an insurer should use the “PPO Carrier Notification of Intermediary Network Addition” packet to notify the Department of the addition of a new intermediary network. This packet is posted on the North Carolina Department of Insurance website.

Workers Compensation PPO Plans

Under the policies and procedures of the North Carolina Industrial Commission, and pursuant to North Carolina General Statutes 58-50-65, companies offering insured and or self-funded Workers Compensation PPO plans in North Carolina are required to complete the Initial PPO Operations filing process, in compliance with NCGS 58-50-56 (g) and (h). Any item that is not applicable to the Worker Compensation plan must be clearly labeled as such, and accompanied by a brief explanation. *For more information about Workers Compensation requirements in North Carolina, please contact the Industrial Commission at (919) 807-2501.*

INITIAL PPO OPERATIONS FILING: FLOW CHART



INITIAL PPO OPERATIONS FILING

General Instructions

Note to insurers with Common Ownership: *insurers that are under common ownership, desiring PPO approval for each insurer, and using identical policies/procedures and provider networks, may submit one Filing package. All of the affiliated insurers desiring approval must be specifically identified on the filing form. Only one set of policies/procedures and provider network information is required when identical for all affiliated insurers. If an affiliate insurer has the same policies/procedures but different provider networks, then separate network information for that insurer must be included and be clearly identified.*

11 NCAC 20 .0205 FILING REQUIREMENTS

All contract form filings shall be submitted to the Department in the following manner:

- (1) New managed care contract forms shall be submitted in either paper or an electronic format in accordance with 11 NCAC 12 .0329.
- (2) Amendments to contract forms shall include both a red-line formatted copy and a clean copy of the contract.
- (3) Each contract form shall be designated by a unique form number assigned by the carrier for identification purposes that shall not exceed the length of 70 character spaces.
- (4) Contract form filings shall be held open for a 60-day period beginning on the date that the Division receives the submission. If the submission is not brought into compliance within that period, the file shall be formally disapproved and closed.

History Note: Authority G.S. 58-2-40(1); 58-50-50; 58-50-55; 58-65-25; 58-65-140; 58-67-10; 58-67-20; 58-67-35; 58-67-150; Eff. October 1, 1996; Amended Eff. July 1, 2006.

FORMAT

- One Filing for the “**FUNCTIONS TO BE PERFORMED BY INSURER**” checklist (p. 7 of this packet)
- For each intermediary network identified in the “Delegated Entities” grid (the first grid in InsurerData.xls file), with all applicable items listed on “**FUNCTIONS TO BE DELEGATED**” checklist (p. 8-10 of this packet).

Submit all documents in filing checklist (below).

NORTH CAROLINA DEPARTMENT OF INSURANCE

LIFE AND HEALTH DIVISION

Initial PPO Operations Filing Form, Checklists, and Attestation

- Pursuant to North Carolina General Statutes 58-50-56, this form is used to demonstrate that Insurer has the necessary infrastructure to properly administer a PPO Benefit Plan product (Policy and Certificate forms) in compliance with applicable managed care requirements for PPO Insurers; or
- Pursuant to NCGS 58-50-65, this form is used to demonstrate compliance with applicable North Carolina Department of Insurance managed care requirements prior to consideration by the Industrial Commission for authorization as a Workers Compensation Managed Care Organization.
- Submit all required materials according to the general instructions (page 6 of this packet) and the item-specific instructions on the checklists (pages 8-11 of this packet).
- *Shaded fields can be completed electronically on-screen; press "Tab" to move to next field.*

1. Full Legal Name(s) of Insurer: _____

2. FEIN Number(s): _____

3. Mailing Address (for each insurer if different):

Street _____

City _____ State _____ Zip _____

4. Representative Submitting This Filing:

Name _____ Title _____

Street _____

City _____ State _____ Zip _____

Contact Person _____ Phone _____ Fax _____ Email _____

5. Name of PPO Benefit Plan(s), Policy Form Number(s) approved or filed for approval:

6. Compensation Arrangements:

- Insurer confirms that all of its directly contracted providers (if applicable), and all providers contracted by its network intermediaries (if applicable), are reimbursed only on a fee-for-service basis (NCGS 58-50-56).

FUNCTIONS TO BE PERFORMED BY INSURER: FILING CHECKLIST

(Complete this page once)

ITEM NAME	INCL?	N/A?	ITEM INSTRUCTIONS
Initial PPO Operations Filing Form	<input type="checkbox"/>		Return this completed form with your filing. Form should be the first item visible in binder.
Insurer Checklist	<input type="checkbox"/>		Return this completed checklist with your filing. For each checklist item, Insurer representative must either 1) select the “INCL?” column at left to indicate that the item is included in the filing, or 2) select the “N/A” column to indicate that the item is not applicable. For each checklist item marked N/A, there must be a statement of explanation inserted behind the appropriate item tab. INSERT BEHIND PAGE LABELED “CHECKLIST”
Insurer Attestation	<input type="checkbox"/>		Complete and sign the Initial <u>PPO Carrier Attestation</u> (see p. 6). Must have original notary seal. INSERT BEHIND PAGE LABELED “ATTESTATION”
Compliance Certifications	<input type="checkbox"/>		Provide a <u>Compliance Certification</u> for all functions as applicable (<u>Credentialing</u> , <u>Utilization Review</u> , <u>Grievance Procedures</u>). INSERT BEHIND PAGE LABELED “CERTIFICATIONS”
Provider Availability Standards	<input type="checkbox"/>	<input type="checkbox"/>	If the Insurer’s own Provider Availability standards will apply then provide a copy of the Insurer’s written policy and standards to demonstrate compliance with 11 NCAC 20.0301. The written policy must describe in detail how the insurer determines the size and adequacy of the provider network necessary to serve its insureds, considering the various types and numbers of providers. INSERT BEHIND PAGE LABELED “PROVIDER AVAILABILITY”
Provider Accessibility	<input type="checkbox"/>	<input type="checkbox"/>	If the Insurer’s own Provider Accessibility standards will apply then provide a copy of the Insurer’s written policy and performance targets to demonstrate compliance with 11 NCAC 20.0302. The written policy must describe in detail how the insurer determines their acceptable accessibility standards and performance targets for the various types of providers, physicians and non-physicians, in the provider network. INSERT BEHIND PAGE LABELED “PROVIDER ACCESSIBILITY”
Provider Credentialing	<input type="checkbox"/>	<input type="checkbox"/>	If the Insurer’s own Provider Credentialing Plan will apply , then provide a copy of the Insurer’s policies and procedures to demonstrate compliance with 11 NCAC 20.0400. Note: If Credentialing is delegated the carrier’s plan must specify those items with which the delegated entity must comply. INSERT BEHIND PAGE LABELED “CREDENTIALING”
Utilization Review	<input type="checkbox"/>		The Insurer must have a Utilization Review Program. Provide a copy of <u>the Insurer’s policies</u> to demonstrate compliance with NCGS 58-50-61 and NCGS 58-50-62. (See checklist on NCDOI website) Note: If Utilization Review is Delegated, the Insurer’s Utilization Review program document must still contain, in the minimum, provisions of NCGS 58-50-61(b) and (c). INSERT BEHIND PAGE LABELED “U.R.”
Grievance Procedures	<input type="checkbox"/>	<input type="checkbox"/>	If Insurer’s own Grievance Procedures will apply , then provide a copy of the Insurer’s procedures to demonstrate compliance with NCGS 58-50-62. INSERT BEHIND PAGE LABELED “GRIEVANCES”
Claims Processing/ Payment	<input type="checkbox"/>	<input type="checkbox"/>	If the Claims Processing is delegated to a TPA then the Insurer must: <ol style="list-style-type: none"> 1. Provide a copy of the executed agreement between the Insurer and the TPA. (Ref. NCGS 58-56-6 and NCGS 58-56-26(a)) 2. Provide a statement, signed by a company officer, that the Insurer has reviewed the processes of the TPA and found the TPA processes for claims are in compliance with NCGS 58-3-225 and 11 NCAC 20.0204(b)(6). 3. Provide a description of how the company will, in compliance with NCGS 58-56-26(c), monitor the TPA functions to ensure that claimants are paid for services. INSERT BEHIND PAGE LABELED “CLAIMS”
Insurer’s Network Data Grids	<input type="checkbox"/>	<input type="checkbox"/>	If applicable, the Insurer must complete all applicable grids in <u>InsurerData.xls</u> file (Microsoft Excel). Submit a hard copy and electronic copy (on disk or CD-ROM) of the Excel file, with the rest of your materials. INSERT COPY BEHIND PAGE LABELED “DATA GRIDS”
Note			The Department of Insurance may require additional information from the Insurer, if needed.

FUNCTIONS TO BE DELEGATED: FILING CHECKLIST
(Complete a separate checklist for each network intermediary and other delegated entity)

ITEM NAME	INCL?	N/A?	ITEM INSTRUCTIONS
Delegated Entity Checklist	<input type="checkbox"/>		Return completed checklist with your filing (one checklist per delegated entity). For each checklist item, Insurer representative must either 1) select the “INCL?” column at left to indicate that the item is included in the filing, or 2) select the “N/A” column to indicate that the item is not applicable. For each checklist item marked N/A, there must be a statement of explanation inserted behind the appropriate item tab. INSERT BEHIND PAGE LABELED “CHECKLIST”
Compliance Certifications	<input type="checkbox"/>		Provide a <u>Compliance Certification: Intermediary Arrangement</u> for each network intermediary to be used, and for all other delegated functions as applicable, i.e., <u>Compliance Certification: Delegated Credentialing</u> ; <u>Compliance Certification: Delegated Utilization Review</u> ; <u>Compliance Certification: Delegated Grievance Procedures</u> INSERT BEHIND PAGE LABELED “CERTIFICATIONS”
Insurer’s Contract with Intermediary	<input type="checkbox"/>	<input type="checkbox"/>	If the Department <u>has</u> already approved the Insurer’s Intermediary contract form, then the Insurer does not have to re-submit this contract form. Submit a copy of the Department’s approval letter as evidence of compliance. INSERT BEHIND PAGE LABELED “INTERMEDIARY CONTRACT”
	<input type="checkbox"/>	<input type="checkbox"/>	OR If the Department <u>has not</u> approved the Intermediary contract form, then the Insurer must submit the contract form for compliance review and Department approval prior to execution. A completed “Contract Compliance Checklist” (available on the NCDOI website) should accompany each contract form. INSERT BEHIND PAGE LABELED “INTERMEDIARY CONTRACT”
Intermediary Provider Contract Forms	<input type="checkbox"/>	<input type="checkbox"/>	If the Department <u>has</u> already reviewed the Intermediary’s provider contract forms, and determined that those contract forms are compliant with applicable North Carolina laws and regulations, then the Insurer does not have to submit the Intermediary’s provider contract forms. Instead, the Insurer should submit: 1. A copy of the Department’s letter to the Intermediary (containing Department’s affirmation that the provider contract forms are compliant). INSERT BEHIND PAGE LABELED “PROVIDER CONTRACTS” Note: The Insurer must also obtain from the Intermediary a copy of the provider contract forms filed with the N.C. Department of Insurance and retained in the Insurer’s records as evidence of prior approval. Do not submit these contract forms with the filing.
	<input type="checkbox"/>	<input type="checkbox"/>	OR If the Department <u>has not</u> reviewed the Intermediary’s provider contract forms, the Insurer must submit those contract forms for compliance review. A completed “Contract Compliance Checklist” (available on the NCDOI website) should accompany each contract form. INSERT BEHIND PAGE LABELED “PROVIDER CONTRACTS”
Provider Availability Standards	<input type="checkbox"/>	<input type="checkbox"/>	If the Intermediary’s Provider Availability standards will apply , and if the Department <u>has already reviewed</u> the Intermediary’s Provider Availability standards, and determined that those standards are compliant with applicable North Carolina laws and regulations, the Insurer should submit: 1. A copy of the Department’s letter to the Intermediary (containing Department’s affirmation that the Provider Availability standards are compliant), <u>AND</u> 2. Evidence that the Insurer has reviewed and approved those standards (copy of Board minutes, etc.) 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary’s standards, and found those standards to be compliant with 11 NCAC 20.0301. INSERT BEHIND PAGE LABELED “PROVIDER AVAILABILITY”
	<input type="checkbox"/>	<input type="checkbox"/>	OR If the Intermediary’s Provider Availability standards will apply , and if the Department <u>has not reviewed</u> the Intermediary’s Provider Availability standards, the Insurer should submit: 1. A copy of the Intermediary’s written policy and standards to demonstrate compliance with 11 NCAC 20.0301 (The written policy must describe in detail how the insurer determines the size and adequacy of the provider network necessary to serve its insureds, considering the various types and numbers of providers.) 2. Evidence that the Insurer has reviewed and approved those standards (copy of Board minutes, etc.) 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary’s standards, and found those standards to be compliant with 11 NCAC 20.0301. INSERT BEHIND PAGE LABELED “PROVIDER AVAILABILITY”

FUNCTIONS TO BE DELEGATED (continued)

ITEM NAME	INCL?	N/A?	ITEM INSTRUCTIONS
Provider Accessibility	<input type="checkbox"/>	<input type="checkbox"/>	<p>If the Intermediary’s Provider Accessibility standards will apply, and if the Department <u>has</u> already reviewed the Intermediary’s Provider Accessibility standards, and determined that those standards are compliant with applicable North Carolina laws and regulations, the Insurer should submit:</p> <ol style="list-style-type: none"> 1. A copy of the Department’s letter to the Intermediary (containing Department’s affirmation that the Provider Accessibility standards are compliant), <u>AND</u> 2. Evidence that the Insurer has reviewed and approved those standards (copy of Board minutes, etc.). 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary’s standards, and found those standards to be compliant with 11 NCAC 20.0302. INSERT BEHIND PAGE LABELED “PROVIDER ACCESSIBILITY”
	<input type="checkbox"/>	<input type="checkbox"/>	<p style="text-align: center;">OR</p> <p>If the Intermediary’s Provider Accessibility standards will apply, and if the Department <u>has not</u> reviewed the Intermediary’s Provider Accessibility written policy and standards, the Insurer should submit:</p> <ol style="list-style-type: none"> 1. A copy of the Intermediary’s written policy and standards to demonstrate compliance with 11 NCAC 20.0302. The written policy must describe in detail how the insurer determines their acceptable accessibility standards and performance targets for the various types of providers, physicians and non-physicians, in the provider network. 2. Evidence that the Insurer has reviewed and approved those standards (copy of Board minutes, etc.). 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary’s standards, and found those standards to be compliant with 11 NCAC 20.0302. INSERT BEHIND PAGE LABELED “PROVIDER ACCESSIBILITY”
Provider Credentialing	<input type="checkbox"/>	<input type="checkbox"/>	<p>If the Intermediary’s/CVO’s Provider Credentialing Plan will apply, and if the Department <u>has</u> already reviewed the Intermediary’s/CVO’s Provider Credentialing policies and determined that those policies are compliant with applicable North Carolina laws and regulations, the Insurer should submit:</p> <ol style="list-style-type: none"> 1. A copy of the Department’s letter to the Intermediary/CVO (containing Department’s affirmation that the Provider Credentialing policies are compliant), <u>AND</u> 2. Evidence that the Insurer has reviewed and approved those policies (copy of Board minutes, etc.) 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary’s standards, and found those standards to be compliant with 11 NCAC 20.0400. INSERT BEHIND PAGE LABELED “CREDENTIALING”
	<input type="checkbox"/>	<input type="checkbox"/>	<p style="text-align: center;">OR</p> <p>If the Intermediary’s/CVO’s Provider Credentialing Plan will apply, and if the Department <u>has not</u> reviewed the Intermediary’s/CVO’s Provider Credentialing policies the Insurer should submit:</p> <ol style="list-style-type: none"> 1. A copy of the Intermediary’s/CVO’s policies to demonstrate compliance with 11 NCAC 20.0400. 2. Evidence that the Insurer has reviewed and approved those policies (copy of Board minutes, etc.) 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary’s standards, and found those standards to be compliant with 11 NCAC 20.0400. INSERT BEHIND PAGE LABELED “CREDENTIALING”
Utilization Review	<input type="checkbox"/>	<input type="checkbox"/>	<p>If the Intermediary’s/URO’s Utilization Review Program will apply, and if the Department <u>has</u> already reviewed the Intermediary/URO’s Utilization Review policies, and determined that those policies are compliant with applicable North Carolina laws and regulations, the Insurer should submit:</p> <ol style="list-style-type: none"> 1. A copy of the Department’s letter to the Intermediary/URO (containing Department’s affirmation that the Utilization Review policies are compliant), <u>AND</u> 2. Evidence that the Insurer has reviewed and approved those policies (copy of Board minutes, etc.) 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary’s/URO’s policies, and found those policies to be compliant with NCGS 58-50-61 and NCGS 58-50-62. See our web site for a checklist. INSERT BEHIND PAGE LABELED “U.R.”

FUNCTIONS TO BE DELEGATED (continued)

ITEM NAME	INCL?	N/A?	ITEM INSTRUCTIONS
	<input type="checkbox"/>	<input type="checkbox"/>	<p align="center">OR</p> <p>If the Intermediary/URO's Utilization Review Program will apply, and if the Department has <u>not</u> reviewed the Intermediary/URO's Utilization Review policies, the Insurer should submit:</p> <ol style="list-style-type: none"> 1. A copy of the Intermediary/URO's policies demonstrating compliance with NCGS 58-50-61 and 62. 2. Evidence that the Insurer has reviewed and approved those policies (copy of Board minutes, etc.) 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary's/URO's policies, and found those policies to be compliant with NCGS 58-50-61 and NCGS 58-50-62. <p>INSERT BEHIND PAGE LABELED "U.R."</p>
Grievance Procedures	<input type="checkbox"/>	<input type="checkbox"/>	<p>If the Intermediary's Grievance Procedures will apply, and if the Department <u>has</u> already reviewed the Intermediary's Grievance procedures and determined that those procedures are compliant with applicable North Carolina laws and regulations, the Insurer should submit:</p> <ol style="list-style-type: none"> 1. A copy of the Department's letter to the Intermediary (containing Department's affirmation that the Grievance procedures are compliant), AND 2. Evidence that the Insurer has reviewed and approved those procedures (copy of Board minutes, etc.) 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary's procedures, and found those procedures to be compliant with NCGS 58-50-62. <p>INSERT BEHIND PAGE LABELED "GRIEVANCES"</p>
	<input type="checkbox"/>	<input type="checkbox"/>	<p align="center">OR</p> <p>If the Intermediary's Grievance Procedures will apply, and if the Department has <u>not</u> reviewed the Intermediary's Grievance procedures, the Insurer should submit:</p> <ol style="list-style-type: none"> 1. Copy of the Intermediary's procedures to demonstrate compliance with NCGS 58-50-62. 2. Evidence that Insurer has reviewed and approved those procedures (Board minutes, etc.) 3. Statement, signed by a company officer indicating the date of the review, that the Insurer reviewed the Intermediary's procedures, and found those procedures to be compliant with NCGS 58-50-62. <p>INSERT BEHIND PAGE LABELED "GRIEVANCES"</p>
Claims Processing/ Payment	<input type="checkbox"/>	<input type="checkbox"/>	<p>If the Intermediary is responsible for claims payment to its providers, then Insurer must: Provide a statement, signed by a company officer, that the Insurer has reviewed the processes of the Intermediary, and found the Intermediary is licensed in N.C. and the Intermediary's processes for claims are in compliance with NCGS 58-3-225 and 11 NCAC 20.0204(b)(6).</p> <p align="center">AND</p> <p>Provide a statement confirming which of the following, in accordance with 11 NCAC 20.0204(c), the company will do:</p> <ol style="list-style-type: none"> a) monitor Intermediary's financial condition to ensure that providers are paid for services, or b) Require member hold harmless agreements with providers. <p>INSERT BEHIND PAGE LABELED "CLAIMS"</p>
Intermediary Network Data Grids	<input type="checkbox"/>		<p>Use <u>NetworkDataGrids.xls</u> file (MS Excel). Insurer must complete first grid (if applicable). Populate all applicable remaining grids with data from the Intermediary, regarding the new network being added. Submit a hard copy and electronic copy (on disk or CD-ROM) of the Excel file, with the rest of your materials.</p> <p>INSERT COPY BEHIND TAB LABELED "DATA GRIDS"</p>
Note			<p>The Insurer understands that the Division may require additional information, if needed.</p>

LIFE AND HEALTH DIVISION
PPO Initial Operations Filing Attestation

We hereby attest that we have reviewed this Application and all supporting materials in their entirety, and that the information being submitted is true and correct.

Signature Date

Name

Title (must be Insurer Company Officer)

Signature Date

Name

Title (must be Insurer Company Officer)

COUNTY OF _____

STATE OF _____

Sworn to and subscribed to before me this _____ day of _____, 20__.

Signature of Notary Public

Notary Seal:

Date on Which My Commission Expires

SEAL Image –