

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of VIRGINIA

**DEFINITION OF MEDICAID HEALTH MAINTENANCE ORGANIZATIONS**

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- § 1.0 A Virginia Medicaid Qualifying Health Maintenance Organization (HMO) is defined as an entity which has a license to operate as a health maintenance organization issued by the Bureau of Insurance of the State Corporation Commission.
- § 2.0 The Bureau of Insurance of the Virginia State Corporation Commission [Regulation 28 (June 24, 1987, as revised)] provides licensing only to HMOs meeting the requirements of 42 CFR 434.20 (c).
- A. Virginia Medicaid Qualifying HMOs shall be primarily organized for the purpose of providing health care services. As provided for in Regulation 28, an HMO is an organization which undertakes to provide or arrange for one or more health care plans. A health care plan is any arrangement in which any health maintenance organization undertakes to provide, arrange for, pay for, or reimburse any part of the cost of any health care services.
- B. Virginia Medicaid Qualifying HMOs shall make the services they provide as accessible to Medicaid enrollees as those services are available to non-enrolled Medicaid recipients within the area served by the Virginia Medicaid Qualifying HMO. As provided for in Regulation 28, all Virginia Medicaid Qualifying HMOs must establish and maintain arrangements satisfactory to the Medicaid Agency to assure both availability and accessibility of personnel and facilities providing health care services including:
1. reasonable hours of operation and after-hours emergency health care,
  2. reasonable proximity to enrollees within the service area, so as not to result in unreasonable barriers to accessibility,
  3. sufficient personnel, including health professionals, administrators, and support staff, to reasonably assure that all services contracted for will be accessible to enrollees on an appropriate basis without delays detrimental to the health of the enrollee, and
  4. adequate arrangements to provide inpatient hospital services for basic health care.

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- C. Regulation 28 provides controls limiting the risk of insolvency of Virginia Medicaid Qualifying HMOs, and assuring that Medicaid enrollees will not be liable for any Virginia Medicaid Qualifying HMO's debts should it become insolvent. Specifically, Regulation 28 sets forth the requirements for a Virginia Medicaid Qualifying HMO's minimum net worth, deposits with the State Treasurer, mandated liability insurance, enrollee hold harmless provisions in subcontracts, and accounting and reporting responsibilities.
- § 3.0 The Medicaid Agency shall, through the terms and conditions of risk contracts with Virginia Medicaid Qualifying HMOs, make provisions for meeting the additional requirements provided for in 42 CFR 434.

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