

Section 1300.49. General Licensure Requirements

(a) Definitions

As used in this section:

(1) “Global risk” means the assumption of both professional and institutional risk.

(2) “Institutional risk” means the assumption of the cost for the provision of hospital inpatient, hospital outpatient, or hospital ancillary services to subscribers or enrollees undertaken by a person, other than services performed pursuant to the person’s own license under section 1253 of the Health and Safety Code.

(3) “Limited license” means a license with waivers issued by the Department or its predecessor prior to January 1, 2000, to a health care service provider or its affiliate for the provision of, or the arranging, payment, or reimbursement for the provision of health care services to subscribers or enrollees of another health care service plan under a contract or other arrangement whereby the person assumes financial risk for the provision of both professional and institutional services to the other health care service plan’s subscribers or enrollees.

(4) “Person,” for purposes of this section, shall have the same meaning as Health and Safety Code section 1345, subdivision (j).

(5) “Professional risk” means the assumption of the cost for the provision of physician, ancillary, or pharmacy services undertaken by physicians or other licensed or certified providers to subscribers or enrollees.

(6) “Risk” means the assumption of the cost for the provision of covered health care services to subscribers or enrollees.

(b)(1) Any person who accepts global risk receives “advance or periodic consideration” from or on behalf of subscribers or enrollees and shall obtain a license to operate a health care service plan pursuant to section 1349 of the Health and Safety Code.

(2) An exemption from this section may be granted by the Director to any person upon review and consideration including the following:

(A) The filing of Exhibit GG, Financial Viability, and Exhibit HH, Projected Financial Viability, of the application for licensure, pursuant to rule 1300.51 of title 28. The Exhibits shall include current and projected changes that have or are expected to occur upon the assumption of global risk. A person that currently files audited financial statements with the Department may request an exemption from filing Exhibit GG;

(B) The total percentage of annualized income of institutional risk that will be assumed and how it will be assumed. A contract for the assumption of global risk shall be submitted to the Department;

(C) The estimated number of subscribers and enrollees for whom the person will provide health care services; and

(D) The service area(s) in which the person intends to operate.

(c) A restricted license may be granted to a person that accepts global risk pursuant to subdivision (b)(1) and contracts only with a full service or specialized health care service plan to provide or arrange health care services for that plan's subscribers or enrollees.

(1) A restricted licensee:

(A) May accept prepaid or periodic payments for both institutional and professional services only from a licensed health care service plan to provide or arrange health care services for that plan's subscribers or enrollees;

(B) May accept global risk; and

(C) May not market, solicit, or sell plan contracts to individual members of the public, employers, or any other person or group.

(2) An applicant seeking licensure as a restricted licensee shall complete and file an application for licensure as a health care service plan or specialized health care service plan in accordance with section 1351 of the Health and Safety Code and section 1300.51 of title 28. The application for licensure shall include all exhibit types and shall specify which functions remain the sole responsibility of the licensed full service or licensed specialized health care service plan and which functions will be delegated to the applicant restricted licensee. The application for licensure shall include all contractual agreements between the licensed full service or licensed specialized health care service plan and the applicant restricted licensee. The agreements shall include a Division of Financial Responsibility statement describing the financial obligations of both parties. Pursuant to the network adequacy requirements of the Knox-Keene Act and this chapter, including those set forth in sections 1367, 1367.03, and 1375.9 of the Health and Safety Code, as well as sections 1300.51, 1300.67.2, 1300.67.2.1, and 1300.67.2.2 of title 28, the restricted licensee shall maintain its own contracted provider network that ensures adequate access to all health care services delegated to the restricted licensee under the DMHC Division of Financial Responsibility Form.

(3) The restricted licensee applicant shall also complete and file a DMHC Division of Financial Responsibility Form, dated [June 1, 2017], and hereby incorporated by reference, for licensure as a restricted licensee. The DMHC Division of Financial Responsibility Form shall disclose all health care services which remain the sole responsibility of the licensed full service or licensed specialized health care service plan and which health care services will be delegated to the applicant restricted licensee.

(4) Restricted licensees that were previously licensed by the Department, and, as of the effective date of this regulation, continue to be licensed by the Department, may continue as restricted licensees under this section.

(d) Limited license health care service plans, with exemptions and waivers that are licensed by the Department as of the effective date of this regulation, may continue to engage in business as limited licensees.

NOTE: Authority Cited: Sections 1344 and 1349, Health and Safety Code. Reference: Sections 1345, 1349, 1351 and 1375.1, Health and Safety Code.

DMHC DIVISION OF RESPONSIBILITY FORM

	<u>Service Provided by Restricted Licensee</u>	<u>Service Provided by Health Plan</u>	<u>Service Provided by Other Plan or Entity (list plan/entity name)</u>	<u>Notes</u>
<u>Primary Care Services</u>				
<u>Family Practice</u>				
<u>General Practice</u>				
<u>Internal Medicine</u>				
<u>Obstetrics/Gynecology</u>				
<u>Pediatrics</u>				
<u>Hospital Services</u>				
<u>General Acute Care Hospital</u>				
<u>Inpatient Hospice</u>				
<u>Inpatient Rehabilitation Facilities</u>				
<u>Non-Mental Health Residential Care Facilities</u>				
<u>Tertiary Services such as Burn Unit, Transplant Services, etc.</u>				
<u>Specialty Physician Services</u>				
<u>Allergy/Immunology</u>				
<u>Anesthesiology</u>				
<u>Cardiology</u>				
<u>Dermatology</u>				
<u>Diagnostic Radiology</u>				
<u>Endocrinology</u>				
<u>Gastroenterology</u>				
<u>Genetics</u>				
<u>Hematology</u>				
<u>HIV/AIDS Specialist</u>				
<u>Infectious Disease</u>				
<u>Maternal and Fetal Medicine</u>				
<u>Neonatology</u>				
<u>Nephrology</u>				
<u>Neurology</u>				
<u>Nuclear Medicine</u>				
<u>Obstetrics and Gynecology</u>				
<u>Oncology</u>				
<u>Ophthalmology</u>				
<u>Otolaryngology</u>				
<u>Pain Medicine</u>				
<u>Pathology</u>				
<u>Physical Medicine and Rehabilitation</u>				
<u>Podiatry</u>				
<u>Psychiatry</u>				
<u>Pulmonology</u>				
<u>Radiation Oncology</u>				
<u>Rheumatology</u>				
<u>Surgery - Cardiothoracic</u>				
<u>Surgery - Colon/Rectal</u>				
<u>Surgery - General</u>				
<u>Surgery - Neurological</u>				
<u>Surgery - Orthopedic</u>				
<u>Surgery - Plastic</u>				
<u>Surgery - Thoracic</u>				
<u>Surgery - Vascular</u>				
<u>Urology</u>				
<u>Mental Health Services</u>				

DMHC DIVISION OF RESPONSIBILITY FORM

	<u>Service Provided by Restricted Licensee</u>	<u>Service Provided by Health Plan</u>	<u>Service Provided by Other Plan or Entity (list plan/entity name)</u>	<u>Notes</u>
<u>Marriage and Family Therapist/Licensed Marriage and Family Therapist</u>				
<u>Master of Social Work/Licensed Clinical Social Worker</u>				
<u>Professional Clinical Counselor (LPCC)</u>				
<u>Psychologist - PHD-Level</u>				
<u>Qualified Autism Services Provider</u>				
<u>Substance Abuse Professional - All Levels</u>				
<u>Mental Health Facilities</u>				
<u>Psychiatric Hospital (Inpatient)</u>				
<u>Substance Abuse (Inpatient)</u>				
<u>Mental Health Residential Care Facilities</u>				
<u>Clinic/Urgent Care Services</u>				
<u>Ambulatory Surgery Center</u>				
<u>Urgent Care Center</u>				
<u>Ancillary Provider Services</u>				
<u>Acupuncture</u>				
<u>Ambulance/Transport</u>				
<u>Audiology</u>				
<u>Dialysis/Dialysis Center/Facility</u>				
<u>Dietician/Nutrition</u>				
<u>Durable Medical Equipment/Supplies</u>				
<u>Family Planning</u>				
<u>Home Health</u>				
<u>Hospice</u>				
<u>Imaging/Radiology (Outpatient)</u>				
<u>Infusion/IV Therapy</u>				
<u>Laboratory</u>				
<u>Optometry/Vision</u>				
<u>Occupational Therapy</u>				
<u>Orthotics/Prosthetics</u>				
<u>Pharmacy</u>				
<u>Physical Therapy</u>				
<u>Skilled Nursing/Long Term Care Facility</u>				
<u>Sleep Disorder Diagnosis/Treatment</u>				
<u>Speech Therapy</u>				
<u>Dental Services</u>				
<u>General Dentist</u>				
<u>Endodontics</u>				
<u>Pediatric Dentistry</u>				
<u>Periodontics</u>				
<u>Prosthodontics</u>				
<u>Surgery - Oral</u>				
<u>Vision/Optometry Services</u>				
<u>Optometry/Vision</u>				
<u>Other Services</u>				
<u>Other Provider:</u>				

Date: June 1, 2017