

**CHAPTER 1229. HEALTH MAINTENANCE ORGANIZATION  
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**Authority**

The provisions of this Chapter 1229 issued under sections 403, 443.5 and 509 of the Public Welfare Code (62 P. S. §§ 403, 443.5 and 509), unless otherwise noted.

**Source**

The provisions of this Chapter 1229 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255, unless otherwise noted.

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**Cross References**

This chapter cited in 55 Pa. Code § 1101.95 (relating to conflicts between general and specific provisions); and 55 Pa. Code § 1221.2 (relating to definitions).

**GENERAL PROVISIONS****§ 1229.1. Policy.**

The Medical Assistance Program provides payment for specific medically necessary services rendered to eligible recipients by Health Maintenance Organizations (HMOs) enrolled as providers under the program. Payment for services provided by HMOs is subject to this chapter and Chapter 1101 (relating to general provisions).

**Source**

The provisions of this § 1229.1 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

**§ 1229.2. Definitions.**

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

*Health Maintenance Organization (HMO)*—A legal entity determined by the Assistant Secretary for Health, Department of Health and Human Services, to be organized and operated in the manner prescribed in section 1301(c) of the Social Security Act (42 U.S.C.A. § 300e(c)) and which provides, in the manner prescribed by section 1301(b) of the Social Security Act (42 U.S.C.A. § 300e(b)) at least the following health services to its eligible enrollees:

- (i) Inpatient hospital services.
- (ii) Outpatient services.
- (iii) Laboratory and X-ray services.
- (iv) Family planning services and supplies.
- (v) Physician services.
- (vi) Home health services for individuals entitled to those services under the Medicaid State Plan.

**Source**

The provisions of this § 1229.2 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

**SCOPE OF BENEFITS****§ 1229.21. Scope of benefits for the categorically needy.**

Categorically needy recipients enrolled in a Health Maintenance Organization (HMO) are eligible for the full range of HMO services covered by the contract

of the Department with the HMO. The recipient shall be informed of the services the HMO provides at the time he enrolls.

**Source**

The provisions of this § 1229.21 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

**§ 1229.22. Scope of benefits for the medically needy.**

Medically needy recipients enrolled in a Health Maintenance Organization (HMO) are eligible for the full range of HMO services covered by the contract of the Department with the HMO. The recipient shall be informed of the services the HMO provides at the time he enrolls.

**Source**

The provisions of this § 1229.22 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

**§ 1229.23. Scope of benefits for State Blind Pension recipients.**

State Blind Pension recipients enrolled in a Health Maintenance Organization (HMO) are eligible for the full range of HMO services covered by the contract of the Department with the HMO. The recipient shall be informed of the services the HMO provides at the time he enrolls.

**Source**

The provisions of this § 1229.23 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

## PROVIDER PARTICIPATION

**§ 1229.41. Participation requirements.**

In addition to the participation requirements established in Chapter 1101 (relating to general provisions), Health Maintenance Organizations (HMOs) shall meet the following participation requirements:

- (1) Have signed a contract with the Office of Medical Assistance for provision of HMO services to Medical Assistance eligibles.
- (2) Comply with applicable Federal and State laws and regulations including but not limited to, Title XIX of the Social Security Act (42 U.S.C.A. §§ 1396—1396k); Article IV of the Public Welfare Code (62 P. S. §§ 401—489), and, when applicable, the Voluntary Nonprofit Health Service Act of 1972 (40 P. S. §§ 1551—1557).
- (3) Have arrangements with other providers for referring recipients for services for which they are eligible under the Medical Assistance Program but which are not provided by the HMO.

**Source**

The provisions of this § 1229.42 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

**PAYMENT FOR HEALTH MAINTENANCE ORGANIZATION SERVICES****§ 1229.51. General payment policy.**

(a) Payment for Health Maintenance Organization (HMO) services is made according to a capitation rate which is negotiated by the Department with each participating HMO. The Department will negotiate contracts with qualified HMOs in accordance with the established policy of the Commonwealth for competitive bidding and in accordance with applicable Federal regulations. A model contract shall be made available to a Federally qualified HMO that desires to provide services to Medical Assistance eligible recipients.

(b) No payment will be made to providers other than the HMO for services rendered to an enrolled recipient if the services were available to the recipient under the contract.

**Source**

The provisions of this § 1229.51 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

**UTILIZATION CONTROL****§ 1229.71. Scope of claims review procedures.**

(a) Claims submitted for payment under the Medical Assistance Program are subject to the utilization control procedures established in Chapter 1101 (relating to general provisions). Providers shall fully cooperate with audits and reviews made by the Department for the purpose of determining the validity of claims, the reasonableness and necessity of services provided and charges made to the general public.

(b) The Health Maintenance Organization (HMO) contractor shall cooperate fully with the Office of Medical Assistance or its authorized agents in exercising the responsibility of the Department to conduct periodic medical audits under Federal regulations at 42 CFR 431.543.

**Source**

The provisions of this § 1229.71 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

**ADMINISTRATIVE SANCTIONS**

**§ 1229.81. Provider misutilization.**

Providers determined to have billed for services inconsistent with the Medical Assistance Program regulations, to have provided services outside the scope of customary standards of medical practice, or to have otherwise violated the standards set forth in the contract of the provider, are subject to the sanctions imposed in Chapter 1101 (relating to general provisions).

**Source**

The provisions of this § 1229.81 adopted October 31, 1980, effective November 1, 1980, 10 Pa.B. 4255.

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