STATE OF CALIFORNIA
DEPARMENT OF INSURANCE
45 Fremont Street, 24th Floor
San Francisco, California 94105

SUPPLEMENT TO FINAL STATEMENT OF REASONS

PROVIDER NETWORK ACCESS STANDARDS FOR HEALTH INSURANCE POLICIES AND AGREEMENTS

(also known as **Network Provider Provisions In Health Insurance Policies And Agreements)**

OAL Notice File Number: Z-06-1114-04
CDI File Number: RH05043720
January 7, 2008

Compliance with Insurance Code section 10133.5(d)

Insurance Code section 10133.5(d) provides:

> (d) In designing the regulations the commissioner shall consider the regulations in Title 28, of the California Administrative Code of Regulations, commencing with Section 1300.67.2, which are applicable to Knox-Keene plans, and all other relevant guidelines in an effort to accomplish maximum accessibility within a cost efficient system of indemnification. The department shall consult with the Department of Managed Health Care concerning regulations developed by that department pursuant to Section 1367.03 of the Health and Safety Code and shall seek public input from a wide range of interested parties.

In designing the proposed Provider Network Access Standards For Health Insurance Policies And Agreements regulations, the Commissioner considered the following regulations applicable to Knox-Keene plans regulated by the Department of Managed Health Care (DMHC):

28 California Code of Regulations section 1200.51(d), Item H, regarding the geographic service area requirements set forth in the DMHC license application form.
28 California Code of Regulations section 1300.61.1, regarding availability of primary care physicians as a component of continuity of care.
28 California Code of Regulations section 1300.67.2, regarding accessibility of services, including facility location, hours of operation, availability of emergency health care services, ratios of enrollees to staff, including administrative and

supporting staff, accessibility to medical specialists, systems regarding monitoring and evaluating accessibility of care, and other factors.

28 California Code of Regulations section 1200.67.2.1, regarding geographic accessibility standards, including application of Item H of 10 CCR 1200.51(d), above, and factors used in evaluation of accessibility standards proposed by health plans.

Staff of the Department of Insurance met with staff of the Department of Managed Health Care regarding the existing DMHC time and distance standards for accessibility, including the regulations described above. Staff of the Department of Insurance also consulted on a number of occasions with the staff of the Department of Managed Health Care regarding the regulations proposed by the Department of Insurance that are the subject of this Supplement to Final Statement of Reasons, "Provider Network Access Standards For Health Insurance Policies And Agreements," promulgated pursuant to section 10133.5 of the Insurance Code, and regarding the development of the proposed Department of Managed Health Care regulations entitled "Timely Access to Health Care Services," DMHC Control Number 2005-0203, promulgated pursuant to section 1367.03 of the Health and Safety Code. The DMHC "Timely Access to Health Care Services" regulations have not become effective; the third comment period for the DMHC regulations concluded on December 26, 2007.

In addition to existing and proposed regulations of the Department of Managed Health Care, the Commissioner also considered other relevant guidelines in an effort to accomplish maximum accessibility within a cost efficient system of indemnification. These guidelines included guidelines of the National Committee for Quality Assurance (NCQA), a private organization, and the Utilization Review Accreditation Committee (URAC), a private organization. The Commissioner also considered information regarding health access standards received from health insurance companies (see Tab 23 in rulemaking binder). In addition, the regulations of the California Department of Industrial Relations regarding access, 8 California Code of Regulations section 9767.5, "Access Standards," pertaining to Medical Provider Networks (MPNs) approved by the Division of Workers' Compensation, were also considered. Further, the regulations of the California Department of Health Services, 22 California Code of Regulations section 53853, regarding accessibility of services in Medi-Cal managed care programs, were considered. The Commissioner also sought, and received, public input from a wide range of interested parties, including at a prenotice public discussion regarding the proposed regulations held on April 5, 2005, and in response to the initial notice of the proposed adoption of the regulations dated November 22, 2006, including at the public hearing held on January 11, 2007, and in written comments received during the first comment period that concluded on January 11, 2007, as well as written comments received during two comment periods regarding revised texts, which comment periods concluded on October 9, 2007 and November 8, 2007, respectively.

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