

Definition of An HMO That Is Not Federally Funded

A Health Maintenance Organization (HMO) is an organization willing and able to offer quality health care services to voluntarily enrolled subscribers for a fixed prepaid fee.

District of Columbia HMOs satisfy all of the requirements of 42 CFR 434.20(c) through compliance with the District of Columbia Municipal Regulations.

Specific references of 42 CFR 434.20(c) are as follows:

(a) Organization's Primary Purpose

- (1) The purpose of Chapter 55, Standard for Prepaid Providers Qualifying to serve District of Columbia Medicaid Recipients, is to set forth the Standards under which a Health Maintenance Organization (HMO) or other health care provider may qualify to serve District Medicaid recipients on a prepaid basis;
- (2) Organizations willing and able to offer quality health care services to voluntarily enrolled subscribers for a fixed prepaid fee, including HMOs, preferred provider organizations, community health centers, insurance companies, and physician groups, are referred to throughout these standards as Qualifying Organizations (QOs); and
- (3) Only organizations meeting the criteria in these standards shall qualify for consideration as prepaid providers for District Medicaid recipients.

(b) Accessibility to Services

- (1) The QO shall provide each enrollee with health care of consistent quality, delivered with dignity, at locations which assure reasonable availability and accessibility to enrollees;
- (2) Each Medicaid enrollee of a QO shall receive service through the same providers and facilities serving non-Medicaid enrollees.

- (3) Each Medicaid enrollee shall be fully integrated into plan membership and shall not be treated differently than a non-Medicaid enrollee; and
- (4) The QO shall allow each enrollee, to the maximum extent feasible, the freedom to choose among its participating providers for primary health care; and
- (5) The QO shall provide, or have provided through subcontractors, all of the services included in the District of Columbia Medicaid Benefits Package except long term care services provided in skilled nursing or intermediate care facilities, or long term psychiatric inpatient services at St. Elizabeths Hospital.

All of the services provided by the QO to its Medicaid enrollees shall be as accessible to them (in terms of timeliness, amount, duration, and scope) as they are non-enrolled Medicaid recipients within the area(s) of the city served by the qualifying organization.

(c) Risk of Insolvency

- (1) The QO shall assure through its contracts, subcontracts, and any other appropriate manner that neither enrollees or the Department are held liable for debts of the QO in the event of its insolvency; and
- (2) The Department may require a QO to update its insolvency deposits on a quarterly basis if the QO is experiencing rapid growth, and may order suspension of new Medicaid enrollment until the appropriate deposit is certified to the Department.