



Managed Care/HMOS

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Background

"Managed care" refers to that type of health care system under which medical care and treatment is managed by the entity paying the bills, and not the medical care or treatment provider (physician, hospital, etc.). It is a system dominated by acronyms that identify different services or components (e.g., HMOs, PPOs, EPOs). It is also a system that has become so complex that many believe it has lost sight of its original objectives.

Prior to the proliferation of [MANAGED CARE](#) plans, medical services and treatments were traditionally provided under what is now referred to as "fee-for-service" plans. Under fee-for-service medicine, the health care provider (physician, hospital, etc.) decided what treatment or procedure was necessary for the patient. However, insurance companies often engaged in semantic battles with health care providers over what treatments were considered "necessary" and how much they would cost. Often stuck in the middle were the patients, who had to choose between waiting for a decision or paying for the treatment themselves.

Managed care organizations (MCOs) began to proliferate during the 1980s, when the industry began to court employers (who pay the bulk of the nation's health insurance premiums). There had been reports of hospitals and doctors under traditional medical insurance plans performing unnecessary diagnostic tests or prolonging treatments (especially rehabilitative therapies) to maximize their incomes/profits. Employers saw the MCO industry as a way to cut costs for employee health insurance.

The MCO purports to control the cost, quality, and availability of medical care by limiting access to care providers and shifting focus to wellness rather than illness. MCO plans typically employ doctors and statisticians to assess computer-generated data, such as how long a heart attack patient should be hospitalized or what treatments are most effective for a particular illness or injury. These data are then developed into industry standards that are referred to as "best practice" guidelines or benchmarks. The MCO, and not the treating doctor, then decides what treatments will be authorized and how much will be paid for the treatments/hospital stays, etc. In return, the MCO purports to offer lower insurance premiums for subscribing members.

Types of Managed Care Organizations (MCOs)

There are four basic types of managed care plans that fall under the umbrella of "MCOs."

Health Maintenance Organizations (HMOs)

By far the most common type, HMOs ostensibly focus on wellness (e.g., by providing for annual physical examinations). Members (who are insured) pay a fixed annual premium in return for health care access that is limited to the HMO's network of physicians and hospitals. Medical care is also limited to a prearranged, comprehensive list of medical services that will be provided to the enrolled group as a whole. Most HMOs require patients to choose (from the HMO network) a physician as a primary care provider (PCP) who must first be consulted for any medical concern. The PCP, and not the patient, then decides if the patient should consult a specialist or get a second opinion. This practice (common to most forms of MCOs in general) is known as "gatekeeping."

Preferred Provider Organizations (PPOs)

In a PPO, the managing entity is not always the insurer; it also may be an employer or a plan administrator. Discounted rates are negotiated with specific health care providers in return for increased patient volume. However, members may choose providers outside of the PPO network, but they will have to pay more to do so.

Exclusive Provider Organizations (EPOs)

Under an EPO, the managing entity contracts with a group of health care providers who agree to internally follow utilization procedures, to refer patients only to other specialists within the EPO, and to use only those hospitals contracted with the EPO. Members must use EPO providers.

Point-of-Service Plans (POS)

The designation of POS refers to the fact that the amount of co-payment an insured pays is dependent upon the "point of service." If an insured member goes outside of the plan network to receive care, the co-payment is higher, as network providers have agreed to accept a discounted rate for services in return for patient volume and patient referral.

The HMO Act of 1973

The early HMOs were idealistic non-profit organizations endeavoring to enhance the delivery of health care to patients while controlling costs. The HMO Act of 1973 changed that premise. It authorized for-profit IPA-HMOs in which HMOs may contract with independent practice associations (IPAs) that, in turn, contract with individual physicians for services and compensation. By the late 1990s, 80 percent of MCOs were for-profit organizations, and only 68 percent or less of insurance premiums went toward medical care. The remainder was paid for MCO executives' and salespersons' salaries.

As a counterbalance against growing concerns that MCOs had transformed from patient-friendly plans to profit-making machines, state legislators around the country began to enact laws limiting certain restrictions imposed by MCOs on their members. Most of these laws are referred to as "HMO laws" but generally govern all MCOs within the state (HMOs being the most common).

State laws vary on such issues as whether HMOs may deny patient access to medical specialists without first going through the designated primary care provider (PCP); "best practice" minimum hospital stays; and whether HMOs may provide financial incentives to health care providers who curb medical costs by limiting medical care. Almost all states now prohibit "gag rules," which are contractual agreements with physicians

not to inform their patients of treatment options not covered by the HMO/MCO plan (a common practice in earlier days).

Common State Provisions

ALABAMA: See Alabama Code, sections 27-21A-1 et seq. and others. State law does not permit direct access to medical specialists except for ob-gyn. A specialist cannot be designated as (PCP). There are no prohibitions on use of financial incentives by HMOs to induce providers to limit their care. There is no independent review of HMO and managed care denials, and no law to protect consumers from managed care abuses and wrongful denials.

ALASKA: Most of the HMO laws can be found at Alaska STATUTE Annotated, sections 21.86.010 et seq. State law does not permit direct access to medical specialists, including ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law does prohibit the use of financial incentives by HMOs to induce providers to limit their care. Independent review of benefit determinations is available. There is no state law to protect consumers from managed care abuses and wrongful denials.

ARIZONA: Arizona Revised Statutes Annotated, Sections 20-1051 et seq. do not provide for direct access to specialists, nor do they permit the designation of a specialist as a PCP. There is no direct access to obgyn, nor can a patient designate ob-gyn as PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Financial incentives by HMOs to providers are prohibited. The law provides for a binding (on plan) independent review of HMO and managed care denials. Moreover, consumers have the right to sue their HMO for acting unreasonably in denying or delaying approval for care.

ARKANSAS: State law (Arkansas Code Annotated, sections 23-76-101 et seq. and others) does not permit direct access to medical specialists except for primary eye care or ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also provides for inpatient care following breast surgery and requires in-patient care of at least 48 hours following a mastectomy. There are no prohibitions on use of financial incentives by HMOs to induce providers to limit their care. There is no independent review of HMO and managed care denials and no law to protect consumers from managed care abuses and wrongful denials.

CALIFORNIA: California Health and Safety Code, sections 1340 et seq and other state laws, do not permit direct access to medical specialists except for ob-gyn. Except for ob-gyn, a specialist may not be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. There are no prohibitions on use of financial incentives by HMOs to induce providers to limit their care. The law provides for binding independent review of HMO and managed care denials but only for experimental or investigational treatment. Consumers may sue HMOs for managed care abuses and wrongful denials.

COLORADO: State laws (Colorado Revised Statutes Annotated, sections 10-16-401 et seq. and others) do not provide for direct access to specialists nor do they permit the designation of a specialist as a PCP. There is direct access to ob-gyn. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Financial incentives by HMOs to providers are permitted. The law provides for a non-binding independent review of HMO and managed care denials. No laws exist for consumers to sue their HMO for acting unreasonably in denying or delaying approval for care.

CONNECTICUT: Connecticut General Statutes Annotated (38-175 and others) regulate HMOs and managed care. There is no direct access to medical specialists (excepting ob-gyn) and specialists cannot be designated

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as PCPs (except ob-gyn). Inpatient childbirth care provides for a minimum 48 hours for vaginal birth and 96 hours for caesarian. There is also minimum inpatient care following breast surgery, requiring at least 48 hours of inpatient care following mastectomy or lumpectomy. Use of financial incentives between providers and HMOs is not prohibited. There is binding independent review of benefit determinations. No law exists to protect consumers from managed care abuses and wrongful denials.

DELAWARE: Delaware Code Annotated (title 16, sections 9101 et seq. and others) does not permit direct access to medical specialists except for ob-gyn. A specialist cannot be designated as a PCP (except for obgyn). Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. There are no prohibitions on use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials but no law to protect consumers from managed care abuses and wrongful denials.

FLORIDA: Florida Statutes Annotated section 641.17 et seq. does not permit direct access to medical specialists except for ob-gyn and dermatology. A specialist cannot be designated as a PCP (except ob-gyn). If the treating physician recommends inpatient care following childbirth or mastectomy, it cannot be limited. There are no prohibitions on use of financial incentives by HMOs to induce providers to limit their care. There is nonbinding independent review of HMO and managed care denials but no law to protect consumers from managed care abuses and wrongful denials.

GEORGIA: HMO laws can be found at Official Code of Georgia Annotated, sections 33.31-1 et seq. plus insurance laws, etc. State law does not permit direct access to medical specialists except for ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also provides for inpatient care following breast surgery and requires in-patient care of at least 48 hours following a mastectomy. Use of financial incentives by HMOs to induce providers to limit their care is prohibited. There is independent review of HMO and managed care denials, and consumers may sue HMOs for managed care abuses and wrongful denials.

HAWAII: State law (Hawaii Revised Statutes 432-D and others) does not permit direct access to medical specialists, nor can specialists be designated as PCPs. No direct access is allowed to ob-gyn. No prohibitions on use of financial incentives by HMOs exist to induce providers to limit their care. There is possibly binding independent review of HMO and managed care denials but no law for consumers to sue HMOs for managed care abuses and wrongful denials.

IDAHO: HMO laws can be found at Idaho Code 41-3901 et seq. plus insurance laws, etc. State law does not permit direct access to medical specialists except for ob-gyn. A specialist cannot be designated as a PCP (excepting ob-gyn). Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Use of financial incentives by HMOs to induce providers to limit their care is prohibited. There is no provision for independent review of HMO and managed care denials and no consumer law for HMO liability for managed care abuses and wrongful denials.

ILLINOIS: Illinois does not permit direct access to medical specialists except for chiropractors and obgyn. A specialist cannot be designated as a PCP (excepting ob-gyn). Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Use of financial incentives by HMOs to induce providers to limit their care is prohibited. There is independent review of HMO and managed care denials but no provisions for consumers to sue HMOs for managed care abuses and wrongful denials.

INDIANA: Indiana Code Annotated, sections 27-13-1-1 et seq. does not permit direct access to medical specialists except for ob-gyn. However, Indiana is one of the few states that permit specialists to be designated as PCPs. No prohibitions exist on the use of financial incentives by HMOs to induce providers to limit their care. There is independent review of HMO and managed care denials but no law for consumers to sue HMOs

for managed care abuses and wrongful denials.

IOWA: State law does not permit direct access to medical specialists, including ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also provides for in-patient care following breast surgery and requires in-patient care of at least 48 hours following a mastectomy. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

KANSAS: Kansas Statutes Annotated, sections 40-3201, do not permit direct access to medical specialists, including ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Laws prohibits use of financial incentives by HMOs to induce providers to limit their care. There is independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

KENTUCKY: State law (Kentucky Revised Statutes Annotated, sections 304-38-010 and other provisions) does not permit direct access to medical specialists, excepting chiropractors and ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also prohibits insurers from mandating that mastectomy be done on an out-patient basis. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is independent review of HMO and managed care denials (binding on insurers) but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

LOUISIANA: Louisiana Revised Statutes Annotated 22:2001 et seq. do not permit direct access to medical specialists, except for ob-gyn. A specialist cannot be designated as a PCP, except for ob-gyn. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The use of financial incentives by HMOs to induce providers to limit care is prohibited. There is binding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

MAINE: Maine Revised Statutes Annotated, Title 24-A-4201 et seq., do not permit direct access to medical specialists, excepting ob-gyn. A specialist (except ob-gyn) cannot be designated as a PCP. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials, and consumers may sue HMOs for managed care abuses and wrongful denials.

MARYLAND: State law (Maryland Health-General Code Annotated 19-701 et seq.) does not permit direct access to medical specialists, except for ob-gyn. A specialist cannot be designated as a PCP, except for ob-gyn. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. There is a prohibition on the use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

MASSACHUSETTS: Massachusetts General Laws Annotated, Ch. 176G-1 et seq. do not permit direct access to medical specialists, excepting ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Use of financial incentives by HMOs to induce providers to limit their care is prohibited. There is independent review of HMO and managed care denials (binding on the plans) but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

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MICHIGAN: MCL 333.21001 and other provisions do not permit direct access to medical specialists, except ob-gyn. A specialist cannot be designated as a PCP. The state prohibits the use of financial incentives by HMOs to induce providers to limit their care. There is nonbinding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

MINNESOTA: State law (Minnesota Statutes Annotated, sections 62D.01 and other provisions) does not permit direct access to medical specialists, excepting ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The use of financial incentives by HMOs to induce providers to limit their care is prohibited. There is nonbinding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

MISSISSIPPI: Mississippi Code Annotated, sections 41.7.401 and other provisions do not permit direct access to medical specialists, except ob-gyn. A specialist cannot be designated as a PCP, except ob-gyn. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There are no provisions for review of HMO and managed care denials and no provisions for consumers to sue HMOs for managed care abuses and wrongful denials.

MISSOURI: State law (Missouri Revised Statutes 354.400 et seq.) does not permit direct access to medical specialists, except for ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Prohibitions exist the use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials, and consumers may sue HMOs for managed care abuses and wrongful denials.

MONTANA: Under state law (Montana Code Annotated 33-31-101 et seq.), there is no direct access to specialists except for ob-gyns, chiropractors, osteopaths, physician assistants, practitioner nurses, and dentists. Specialists (excepting ob-gyn) cannot be designated as PCPs. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

NEBRASKA: Nebraska Revised Statutes 44-3292 and other state laws do not permit direct access to medical specialists, including ob-gyn. However, an ob-gyn specialist may be designated as a PCP. The use of financial incentives by HMOs to induce providers to limit their care is prohibited. There are no provisions for independent review of HMO and managed care denials and no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

NEVADA: State law (Nevada Revised Statutes 695C.010 et seq.) does not permit direct access to medical specialists, except ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. There is a prohibition on the use of financial incentives by HMOs to induce providers to limit their care. No provisions exist for independent review of HMO and managed care denials and no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

NEW HAMPSHIRE: New Hampshire Revised Statutes Annotated 420-B:1 et seq. do not permit direct access to medical specialists, including ob-gyn. A specialist cannot be designated as a PCP. Prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

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NEW JERSEY: State law (New Jersey Statutes Annotated, sections 26:2j et seq. and other provisions) does not permit direct access to medical specialists, including ob-gyn. However, a specialist, including obgyn, may be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. Also required is 48 hours of in-patient care after a simple mastectomy; 72 hours after a radical mastectomy. There is a prohibition on the use of financial incentives by HMOs to induce providers to limit their care. There is also nonbinding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials. Nonetheless, consumer suits have been adjudicated by the courts.

NEW MEXICO: New Mexico Statutes Annotated 59A-46-1 and other state law do not permit direct access to medical specialists, except ob-gyn. A specialist cannot be designated as a PCP, except ob-gyn. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also provides for inpatient care following breast surgery and requires in-patient care of at least 48 hours following a mastectomy and 24 hours following a lumpectomy. There is a prohibition on the use of financial incentives by HMOs to induce providers to limit their care. There is also nonbinding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

NEW YORK: New York Article 44: Health Maintenance Organizations and Article 49: Utilization Review law does not permit direct access to medical specialists, excepting ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

NORTH CAROLINA: State law (North Carolina General Statutes 58-67-1 et seq.) does not permit direct access to medical specialists, excepting for ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is nonbinding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

NORTH DAKOTA: North Dakota Code, sections 26.1-18.1-1-01 et seq. does not permit direct access to medical specialists, including ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. State law prohibits the use of financial incentives by HMOs to induce providers to limit their care. There are no provisions for independent review of HMO and managed care denials and no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

OHIO: Ohio Revised Code Chapter 1756 et seq., as well as other state provisions, does not permit direct access to medical specialists, except for ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. There is a prohibition on the use of financial incentives by HMOs to induce providers to limit their care. There is binding (on the plan) independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

OKLAHOMA: Title 63 of the Oklahoma Statutes Annotated, in addition to other separate provisions, does not permit direct access to medical specialists, including ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth. The law also provides for inpatient care following breast surgery and requires in-patient care of at least 48 hours following a mastectomy. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is

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independent review of HMO and managed care denials, but consumers may sue HMOs for managed care abuses, e.g., delays in treatment, and wrongful denials.

OREGON: Oregon Statutes Annotated 750.005 et seq. State law does not permit direct access to medical specialists, excepting ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There are no provisions for independent review of HMO and managed care denials and no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

PENNSYLVANIA: State law (Pennsylvania Statutes Annotated, Title 40, sections 1551 to 1567) does not permit direct access to medical specialists, excepting for ob-gyn. A specialist can be designated as primary care provider if the enrollee has a life-threatening, degenerative, or disabling disease or condition. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. State law prohibits the use of financial incentives by HMOs to induce providers to limit their care. There is nonbinding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

RHODE ISLAND: State law (Rhode Island General Laws, sections 27-41-1) does not permit direct access to medical specialists, except ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also provides for inpatient care following breast surgery and requires in-patient care of at least 48 hours following a mastectomy. There are provisions prohibiting the use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

SOUTH CAROLINA: South Carolina Code Annotated, Sections 38-33-10, does not permit direct access to medical specialists, except for ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. There are prohibitions on the use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

SOUTH DAKOTA: South Dakota Codified Laws, Sections 58-41-1, do not permit direct access to medical specialists, including ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also provides for inpatient care following breast surgery and requires in-patient care of at least 48 hours following a mastectomy. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is no provision for review of HMO and managed care denials and no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

TENNESSEE: Tennessee Code Annotated 56-32-201 et seq. does not permit direct access to medical specialists, except for ob-gyn. A specialist can be designated as primary care provider but only when the enrollee has a life-threatening, degenerative, or chronic disease or condition. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

TEXAS: State law (Texas Insurance Code Annotated 20A.01 et seq.) does not permit direct access to medical specialists, except for ob-gyn. A specialist can be designated as primary care provider but only when the enrollee has a life-threatening, disabling, or chronic disease or condition. Inpatient childbirth care requires a

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minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also provides for inpatient care following breast surgery and requires inpatient care of at least 48 hours following a mastectomy and 24 hours following lymph node dissection. There are provisions prohibiting the use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials. The statute specifically allows suit against HMOs and managed care companies for abuses and wrongful denials.

UTAH: Utah Code Annotated 31A-8-101 does not permit direct access to medical specialists, excepting ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

VERMONT: State law (Vermont Statutes Annotated, Title 8, sections 5101-5115) does not permit direct access to medical specialists, excepting ob-gyn. A specialist cannot be designated as a PCP. There is a prohibition on the use of financial incentives by HMOs to induce providers to limit their care. There is binding independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

VIRGINIA: Virginia Code Annotated 38.2-4300 et seq. does not permit direct access to medical specialists, excepting ob-gyn. A specialist cannot be designated as a PCP. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. The law also provides for inpatient care following breast surgery and requires in-patient care of at least 48 hours following a mastectomy. There is independent review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

WASHINGTON: Washington Revised Code 48.46.010 et seq. does not permit direct access to medical specialists, except for ob-gyn. A specialist cannot be designated as a PCP. No prohibition on exists the use of financial incentives by HMOs to induce providers to limit their care. There is no provision for review of HMO and managed care denials. As of June 2001, consumers may sue their HMOs for managed care abuses and wrongful denials.

WEST VIRGINIA: State law (West Virginia Code 33-25A-1) does not permit direct access to medical specialists, except ob-gyn. A specialist cannot be designated as a PCP, excepting ob-gyn. Inpatient childbirth care requires a minimum 48 hours after vaginal birth; 96 hours after caesarian. There is a prohibition on the use of financial incentives by HMOs to induce providers to limit their care. There is no provision for review of HMO and managed care denials, and no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

WISCONSIN: Wisconsin Statutes Annotated, sections 609.001 does not permit direct access to medical specialists, excepting ob-gyn. A specialist cannot be designated as a PCP. No prohibition on the use of financial incentives by HMOs to induce providers to limit their care. There is a provision for binding review of HMO and managed care denials but no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

WYOMING: Wyoming Statutes Annotated 26-34-101 et seq. do not permit direct access to medical specialists, including ob-gyn. A specialist cannot be designated as a PCP. No prohibition exists on the use of financial incentives by HMOs to induce providers to limit their care. There is no provision for review of HMO and managed care denials and no provision for consumers to sue HMOs for managed care abuses and wrongful denials.

Additional Resources

"*Fighting HMO and Managed Care Abuses and Malpractice: Laws and Cases.*" Trueman, David L. Available at <http://www.turemanlaw.com/lawsand.htm>.

Health Against Wealth. Anders, George. Houghton Mifflin: 1996.

"*Managed Care Practice and Litigation*" Representing the Elderly Client Law and Practice. Beglely, Thomas D., Jr., and J-Anne Herina Jeffreys. Aspen Publishers Inc: 1999 (2001 Suppl.).

"*Will State Legislators Keep Playing Doctor?*" Wehrwein, Peter. Available at <http://www.managedcaremag.com/archives/9710/9710.legislator...> .

Organizations

The HMO Page

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