

56326 Financial Security

(a)

Each PCCM plan that requests payment for medical services in advance of providing those services shall provide evidence of and maintain financial security. Financial security shall be maintained through the duration of the PCCM contract.

(b)

Financial security may be in the form of, but is not limited to, one of the following:

(1) A guarantee bond. (2) A letter of credit. (3) A time certificate of deposit. (4) A trust agreement.

(1)

A guarantee bond.

(2)

A letter of credit.

(3)

A time certificate of deposit.

(4)

A trust agreement.

(c)

The Department shall approve the form and determine the amount of financial security required for each PCCM plan based on the projected number of enrollments and the applicable capitation rates.

(d)

The Department may take possession of financial security sufficient to indemnify the Department in the event that the PCCM plan defaults on its contractual obligation to the Department.