

**§ 1367.10. Disclosure of effect of participation in plan on choice of provider**

(a) Every health care service plan shall include within its disclosure form and within its evidence of coverage a statement clearly describing how participation in the plan may affect the choice of physician, hospital, or other health care providers, the basic method of reimbursement, including the scope and general methods of payment made to its contracting providers of health care services, and whether financial bonuses or any other incentives are used. The disclosure form and evidence of coverage shall indicate that if an enrollee wishes to know more about these issues, the enrollee may request additional information from the health care service plan, the enrollee's provider, or the provider's medical group or independent practice association regarding the information required pursuant to subdivision (b).

(b) If a plan, medical group, independent practice association, or participating health care provider uses or receives financial bonuses or any other incentives, the plan, medical group, independent practice association, or health care provider shall provide a written summary to any person who requests it that includes all of the following:

(1) A general description of the bonus and any other incentive arrangements used in its compensation agreements. Nothing in this section shall be construed to require disclosure of trade secrets or commercial or financial information that is privileged or confidential, such as payment rates, as determined by the director, pursuant to state law.

(2) A description regarding whether, and in what manner, the bonuses and any other incentives are related to a provider's use of referral services.

(c) The statements and written information provided pursuant to subdivisions (a) and (b) shall be communicated in clear and simple language that enables consumers to evaluate and compare health care service plans.

(d) The plan shall clearly inform prospective enrollees that participation in that plan will affect the person's choice of provider by placing the following statement in a conspicuous place on all material required to be given to prospective enrollees including promotional and descriptive material, disclosure forms, and certificates and evidences of coverage:

**PLEASE READ THE FOLLOWING INFORMATION SO YOU WILL  
KNOW FROM WHOM OR WHAT GROUP OF PROVIDERS HEALTH  
CARE MAY BE OBTAINED.**

It is not the intent of this section to require that the names of individual health care providers be enumerated to prospective enrollees.

If the health care service plan provides a list of providers to patients or contracting providers, the plan shall include within the provider listing a notification that enrollees may contact the plan in order to obtain a list of the facilities with which the health care service plan is contracting for subacute care and/or transitional inpatient care.

**HISTORY:**

Added Stats 1986 ch 568 § 1. Amended Stats 1996 ch 1014 § 3 (AB 2649), ch 1024 § 4.5 (SB

1547); Stats 1998 ch 835 § 1; Stats 1999 ch 525 § 99 (AB 78), operative July 1, 2000.

§ 1367.11

KNOX-KEENE ACT

328