

§ 131E-300. Continuation of benefits.

The Division shall require that each PSO have a plan for handling insolvency, which plan allows for continuation of benefits for the duration of the contract period for which premiums have been paid and continuation of benefits to beneficiaries who are confined in an inpatient facility until their discharge or expiration of benefits. In considering such a plan, the Division may require:

- (1) Insurance to cover the expenses to be paid for benefits after an insolvency;
 - (2) Provisions in provider contracts that obligate the provider to provide services for the duration of the period after the PSO's insolvency for which premium payment has been made and until the beneficiaries' discharge from inpatient facilities;
 - (3) Insolvency reserves as the Division may require;
 - (4) Letters of credit acceptable to the Division;
 - (5) Additional guaranties from a sponsoring provider of the PSO or from the parent of a sponsoring provider;
 - (6) Legally binding obligations of sponsoring providers to forego payment from the PSO for services provided to beneficiaries in order to avoid the insolvency of the PSO; and
 - (7) Any other arrangements to assure that benefits are continued as specified.
- (1998-227, s. 1.)