

Risk Bearing Organization Sub-delegation

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Sub-delegation



Criteria of a RBO

Criteria of a Risk Bearing Organization (RBO)	RBO	Sub-delegated RBO
Structure	✓	✓
Health Care Services	✓	✓
Compensation	✓	✓
Claims Processing and Payment	✓	✓

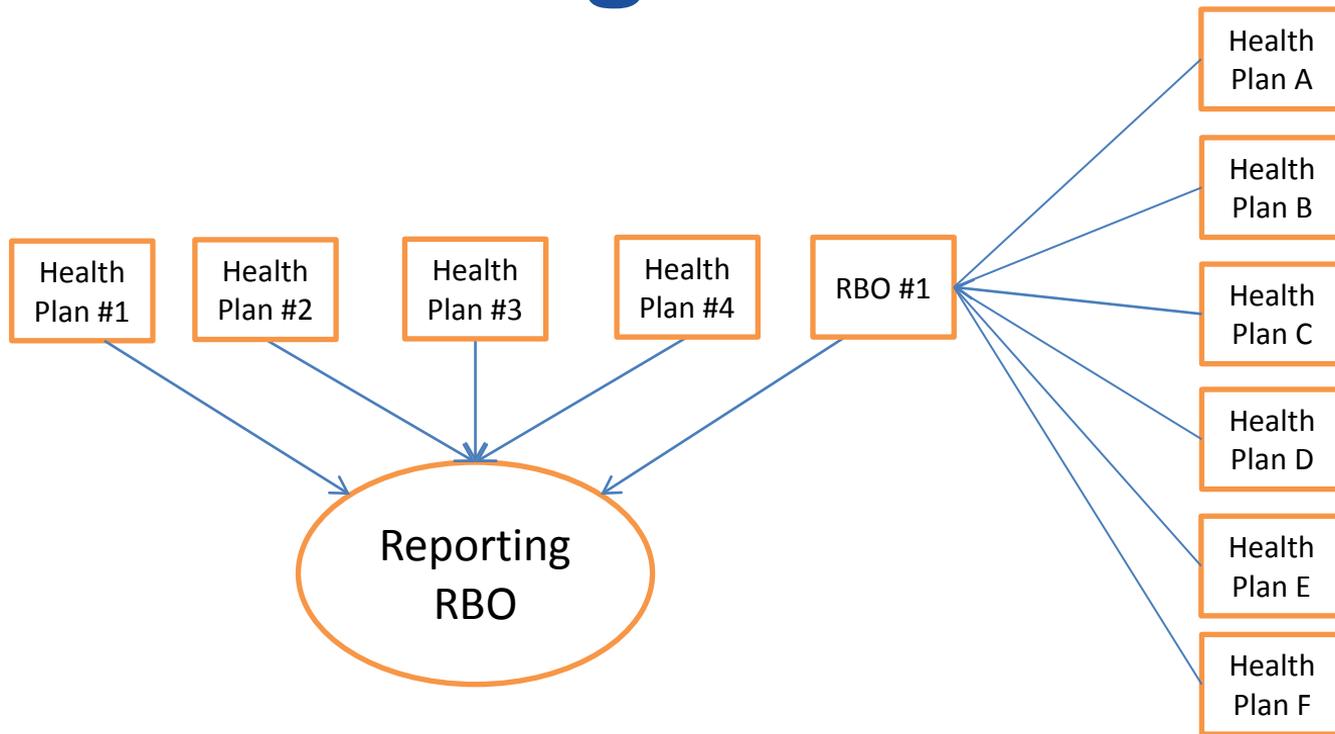
Contract Involving a Risk Arrangement Between a Plan and an Organization

Organization Requirements	RBO	Sub-delegated RBO
Solvency Criteria Requirements	✓	
Quarterly and Annual Financial Reporting Requirements	✓	
Written Verification of each Report	✓	
Notification regarding any event that materially alters its financial situation or threatens its solvency	✓	
Permit the Department to make any examination to implement Health and Safety Code Section 1375.4	✓	

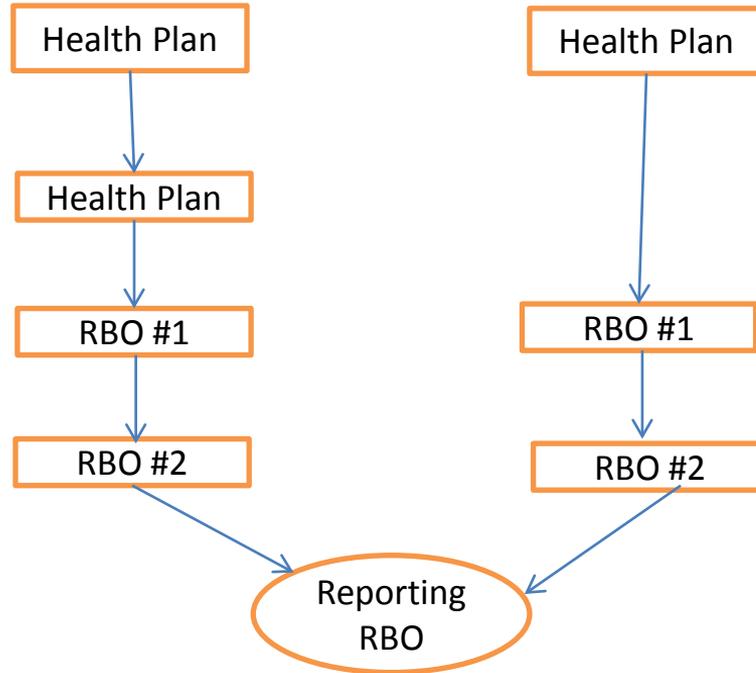
Health Plan Compliance

Health Plan Procedures	RBO	Sub-delegated RBO
That plan personnel review all reports and financial information made available pursuant to Health and Safety Code section 1375.4 and the Solvency Regulations	✓	
Take appropriate action(s)	✓	
Complies with the corrective action process and cooperates in the implementation of a final CAP	✓	
Inform the Department and Organization	✓	
Block Transfer	✓	

Sub-delegation



Structures



Options

1. Require health plans to oversee the sub-delegated RBOs in the same way they oversee direct contracted RBOs.
2. Require health plans to include in their contracts with RBOs that if they are going to sub-delegate, they must include the same requirements.
3. Prohibit sub-delegation.

Questions