**Section 240.110 Department Interventions**

a) *The Department of Public Health shall make an examination concerning the quality of health care services of any health maintenance organization and providers with whom such organization has contracts, agreements, or other arrangements, pursuant to its health care plan as often as he deems it necessary for the protection of the interest of the people of this state, but not less frequently than once every three years* (Section 5-4 of the Act). In determining whether an examination is necessary, the Department shall consider whether health care services are being made available and accessible as evidenced by the following factors:

1) The number and nature of grievances received by the HMO,

2) The number of enrollees in the plan service area relative to the number participating health care providers in the plan service area,

3) The distribution of the enrollees and the providers throughout the plan service area,

4) The hours providers are available, and

5) The method by which after hours service is provided.

b) Upon completion of the Department's inspection of an HMO provider site, the Department shall furnish verbal notification to the provider site of areas of provider site operations and records found during the inspection which fail to comply with this Part. HMO representatives may also be present at this conference.

c) Upon completion of the Department's inspection of an HMO or HMO provider, the Department shall furnish to the HMO written notification of findings of noncompliance with this Part.

d) The HMO shall respond to the Department's inspection findings of noncompliance within ten working days of receipt of the findings. The HMO's response shall indicate the actions to be taken by the HMO in order to remedy the noncompliance noted by the Department. When the HMO's response does not remedy the noncompliance, the Department shall notify the HMO in writing of why the response is unsatisfactory.

e) When the Department determines that the HMO has failed to secure a provider's compliance with this Part, the Department may recommend to the Department of Insurance that the HMO be prohibited from adding more enrollees who would be provided health care services at the noncompliant site. Such a recommendation shall be made only when the noncompliance adversely affects the enrollees' availability and accessibility to health care services described in the evidence of coverage, and the HMO has demonstrated repeated inability to correct the deficiencies.

f) When the Department determines that an HMO does not meet the minimum standards contained in this Part, and has repeatedly failed to remedy the noncompliance, then the Department shall certify the following *to the Director of The Department of Insurance:*

1) That the Health Maintenance Organization does not meet the requirements of the act and this part, or

2) *That the Health Maintenance Organization is unable to fulfill its obligations to furnish health care services as required under its health care plan.* Such certification shall inform the Department of Insurance that administrative review is warranted to consider suspension or revocation of the HMO's Certificate of Authority pursuant to Section 5-5 of the Act. (Ill. Rev. Stat. 1987, ch. 111½ , par. 1413)