

**PUBLIC PROTECTION CABINET**  
**Department of Insurance**  
**Division of Health and Life Insurance and Managed Care**  
**(Amended at ARRS Committee)**

**806 KAR 17:230. Requirements regarding medical director's signature on health care benefit denials.**

RELATES TO: KRS 304.17A-540, 304.17A-545, 304.17A-600 – 304.17A-619

STATUTORY AUTHORITY: KRS 304.2-110(1)

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the Commissioner to promulgate reasonable administrative regulations necessary for, or as an aid to, the effectuation of any provision of the Kentucky Insurance Code, as defined in KRS 304.1-010. This administrative regulation establishes the procedure to be followed when a medical director's signature is required on health care benefit denials.

**Section 1. Definitions.**

- (1) "Adverse determination" is defined by KRS 304.17A-600(1).
- (2) "Coverage denial" is defined by KRS 304.17A-617(1).
- (3) "Electronic signature" is defined by KRS 369.102(8).
- (4) "Enrollee" is defined by KRS 304.17A-500(5).
- (5) "Managed care plan" is defined by KRS 304.17A-500(9).
- (6) "Medical director" means a person meeting the requirements of KRS 304.17A-545(1), and includes a medical director of an entity under contract and delegated to perform utilization review on behalf of a managed care plan.
- (7) "Notice of coverage denial" means a letter, a notice, or an Explanation of Benefits statement advising of a coverage denial as defined by KRS 304.17A-617(1).
- (8) "Signature" means name, title, state of licensure and license number.
- (9) "Utilization review" is defined by KRS 304.17A-600(17) .

**Section 2. Application.** This administrative regulation shall apply to all managed care plans authorized by law to engage in managed care in the state of Kentucky, and any utilization review entities registered in Kentucky that have contracted with a managed care plan to perform utilization reviews on the plan's behalf.

**Section 3. Appointment of Medical Director.**

- (1) A managed care plan shall submit to the department a:
  - (a) Completed Form HIPMC-MD-1; and
  - (b) Biographical resume of each individual who shall serve as the medical director.
- (2) A managed care plan shall furnish the department with any change in medical director within thirty (30) days of the change.
- (3) A managed care plan shall provide for an alternative medical director to serve if the medical director is absent and furnish the department with information as required in subsection (1) of this section.

**Section 4. Letters of Denial for Adverse Determination or Notices of Coverage Denial.**

- (1) Letters of denial for adverse determination or notices of coverage denial shall be sent to an enrollee's last known address with a copy of the same sent to the provider.
- (2) Letters of denial requiring signature of the medical director pursuant to KRS 304.17A-545(1)(d) and KRS 304.17A-607(1) shall include:
  - (a) Letters of adverse determination, including denials, limitations, reductions and terminations of services, based on lack of medical necessity; and

(b) Letters of adverse determination, including denials, limitations, reductions and terminations or services, based on lack of medical appropriateness.

(3) Notices of coverage denial shall not require the medical director's signature.

Section 5. Signature of the Medical Director. For purposes of this administrative regulation, the signature of the medical director shall include:

- (1) Handwritten and copies of original signature; or
- (2) An electronic signature.

Section 6. Incorporation by Reference.

(1) "Medical Director Report Form", Form HIPMC-MD-1, 03/2021 is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Department of Insurance, The Mayo-Underwood Building, 500 Mero Street , Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the Department's Web site at <http://insurance.ky.gov/ppc/CHAPTER.aspx>.

(806 KAR 017:230. 27 Ky.R. 1694, 2189, 2451; eff. 3-19-2001; TAm eff. 8-9-2007; TAm eff. 10-9-2008; 47 Ky.R. 2742, 48 Ky.R. 1164; eff. 1-4-2022.)

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