KAISER PERMANENTE®

SECTION 13

UTILIZATION MANAGEMENT

13.0 INTRODUCTION

Utilization Management ("UM") is a shared responsibility of Health Plan, Kaiser Foundation Health, and the Medical Group. These three entities work together to provide and coordinate UM for Kaiser Permanente members by reviewing and monitoring the full range of outpatient and inpatient services delivered by physicians, hospitals, and other health care providers. UM helps Kaiser Permanente provide services that are appropriate to the members' clinical conditions.

13.1 INVOLVEMENT OF CONTRACTED PROVIDERS

Kaiser Permanente expects our contracted providers to make medical decisions based on the appropriateness of care for a member's medical needs and clinical condition. Kaiser Permanente does not compensate anyone for denying services or coverage. Kaiser Permanente does not use financial incentives to encourage denials.

Kaiser Permanente allows, and we expect our contracted providers to allow, open provider-member communication regarding appropriate treatment alternatives without regard for a member's benefit plan. We do not penalize providers for discussing medically necessary or appropriate care with members.

UM data collected by Kaiser Permanente is used to comply with regulatory and accreditation requirements, to identify areas for improvement in the delivery and management of care for both inpatient and outpatient services, and to coordinate the evaluation of resource utilization.

Kaiser Permanente conducts surveys of members and providers regularly. The results of the surveys are used in the UM program.

UM processes also collect evidence about medical necessity and medical appropriateness of health care services. Appropriate licensed health care professionals supervise all UM evaluations. A licensed provider reviews any denial of a health care service when that denial is based on medical appropriateness or medical necessity.

13.2 CONTINUATION OF CARE

In the event of the termination or expiration of the Provider Agreement, Kaiser Permanente's insolvency, or other cessation of business, provider shall continue to provide covered services and equipment to members who are confined in an inpatient facility on the date of insolvency or the cessation of business until the member is discharged through the period for which premium was paid, whichever occurs last.