
(a) A prepaid limited health service organization shall file with the commissioner any contracts made with providers of a limited health service, enabling the prepaid limited health service organization to provide limited health services authorized under this article. The commissioner may require the immediate cancellation of a contract or the immediate renegotiation of a contract by the parties if he or she determines that a contract provides for excessive payments, fails to include reasonable incentives for cost control, or otherwise substantially and unreasonably contributes to escalation of the costs of providing a limited health service to enrollees.

(b) Whenever a contract exists between a prepaid limited health service organization and a provider and the organization fails to meet its obligations to pay fees for services already rendered to a subscriber, the prepaid limited health service organization is liable for the fee or fees rather than the subscriber; and the contract shall state that liability.

(c) No enrollee of a prepaid limited health service organization is liable to any provider of a limited health service for any service covered by the prepaid limited health service organization if at any time during the provision of the service, the provider or its agents are aware the individual to whom the service is provided is an enrollee of a prepaid limited health service organization.

(d) If at any time during the provision of a limited health service, a provider or its agents are aware that the subscriber is a prepaid limited health service organization enrollee for the service provided, the provider of services or any agent or representative of the provider may not collect or attempt to collect from a subscriber any money for services covered by a prepaid limited health service organization, and no provider or agent or representative of the provider may maintain any action at law against a subscriber of a prepaid limited health service organization to collect money owed to the provider by a prepaid limited health service organization.

(e) Every contract between a prepaid limited health service organization and a provider of a limited health service shall be in writing and shall contain a provision that the subscriber is not liable to the provider for any services covered by the subscriber's contract with the prepaid limited health service organization.

(f) The provisions of this section do not apply to the amount of any deductible or copayment not payable by the prepaid limited health service organization pursuant to its contract with its subscriber.

(g) When a subscriber receives covered emergency health care services from a noncontracting provider, the prepaid limited health service organization is responsible for
payment of the provider's normal charges for the health care services, exclusive of any applicable deductibles or copayments.

(h) For all provider contracts executed on or after the effective date of this article and within one hundred eighty days of that date for contracts in existence on that date:

(1) The contracts shall provide that the provider provide sixty days advance written notice to the prepaid limited health service organization and the commissioner before canceling the contract with the prepaid limited health service organization for any reason; and

(2) The contract shall provide that nonpayment for goods or services rendered by the provider to the prepaid limited health service organization is not a valid reason for avoiding the sixty-day advance notice of cancellation.

(i) Upon receipt by the prepaid limited health service organization of a sixty-day cancellation notice, the prepaid limited health service organization may, if requested by the provider, terminate the contract in less than sixty days if the prepaid limited health service organization is not financially impaired or insolvent.