

**40-3208. Powers.** (a) The powers of a health maintenance organization or medicare provider organization shall include but not be limited to the following:

(1) The purchase, lease, construction, renovation, operation, or maintenance of hospitals, medical facilities, or both, and their ancillary equipment, and such property as may reasonably be required for its principal office or for such other purposes as are necessary in the transaction of the business of the organization;

(2) the furnishing of health care services through providers which are under contract with or employed by the health maintenance organization;

(3) the contracting with any person for the performance on its behalf of certain functions such as marketing, enrollment and administration;

(4) the contracting with an insurance company licensed in this state, or with a hospital or medical service corporation or dental service corporation authorized to do business in this state, for the provision of insurance, indemnity or reimbursement against the cost of health care services provided by the health maintenance organization;

(5) the offering, in addition to health care services, of indemnity benefits covering out-of-area or emergency services; and

(6) receiving and accepting from governmental or private agencies payments covering all or part of the cost of the services provided or arranged for by the organization.

(b) Health maintenance organizations shall provide in their arrangements with all contracting parties and providers that if there be valid medicaid coverage, providing benefits for the same loss or condition, the medicaid coverage shall be the source of last resort of any provider payment.

**History:** L. 1974, ch. 181, § 8; L. 1993, ch. 132, § 8; L. 1998, ch. 174, § 17; July 1.