

HMOs withdrawal of services

Number: INFORMAL

Date: October 23, 2000

The Honorable David D. Russell
Representative, District 44
5331 Commercial Way, Suite 204
Spring Hill, Florida 34606

Dear Representative Russell:

You express your concern about the decision of some Health Maintenance Organizations (HMOs) to withdraw their services from Hernando County. Attorney General Butterworth has asked me to respond to your letter.

Insurance Commissioner Bill Nelson and Attorney General Butterworth have both expressed their concern over the decision of Humana to leave Hernando County at the end of the year, and AvMed to discontinue Medicare+Choice coverage in Hernando County. In October 1998, Commissioner Nelson and Attorney General Butterworth issued subpoenas to determine if there was a factual or legal basis for their respective offices to intervene. However, as Commissioner Nelson stated in a recent letter to the Honorable Pat Novy, Hernando County Commissioner, dated September 12, 2000, a copy of which is enclosed, since Medicare is a federal program, we have no regulatory authority over the decisions of the HMOs in this situation. In addition, the federal agency with jurisdiction, the Health Care Financing Agency (HCFA), cannot require the HMOs to continue service in a particular area once the appropriate notice has been given.

Commissioner Nelson noted that while Humana and AvMed have refused to continue such coverage, two other health care plans have requested approval from HCFA to begin offering Medicare+Choice in Hernando County. The state has urged HCFA to expedite review of those applications. In the meantime, please be assured that Commissioner Nelson and Attorney General Butterworth will continue to monitor this situation. As Commissioner Nelson has indicated in his letter, *supra*, new subpoenas will be issued to fully investigate the situation in Hernando County and other Florida markets.

I trust that the above information may be of assistance.

Sincerely,

Joslyn Wilson
Director, Division of Opinions
Assistant Attorney General

JW/tgk

Enclosure