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*Developing Provider-Sponsored Organization  
Solvency Standards Through Negotiated Rulemaking*

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Abstract by Carrie Mitchell

Negotiated rulemaking (neg-reg) in the context of provider-sponsored organization (PSO) solvency rulemaking must be developed. The article evaluates the advantages and disadvantages of neg-reg with regard to single rule makings. The author describes the PSO solvency neg-reg process. Federal legislation gave rise to rule making as well as its overall structure. The article analyzes the substance of the rule, evaluating the neg-reg PSO solvency rule I within the benefits and criticisms of negotiated rule making. The PSO neg-reg contributed valuable technical expertise to HHS where expertise could be efficiently productively utilized resulting in a rule that does no damage to the public interest.

The author questions whether, even if the rule reflects the effective compromise among interest groups, does it serve or damage the public interest? If the public interested is served by greater beneficiary choice, which benefits the public, then it should benefit PSOs. If the public interest is defined in monetary or budgetary terms, then something that would ensure PSOs would not inflate public expenditures would be beneficial. The author believes the rule as it stands does not harm the public interest, but that experience will show whether it really promotes it.