

Licensure of Health Maintenance Organizations in Texas

The Company Licensing and Registration office serves as "Case Manager" for HMO certificate of authority applications in Texas. An HMO must incorporate with the Texas Secretary of State prior to filing its application with the department.

Filing Requirements

Submit a cover letter summarizing the proposed application.

Minimum Net Worth Requirements – TIC §843.403

\$1.5 million

Additional Net Worth Requirements – TIC §843.404

\$100,000

Deposit with Comptroller – TIC §843.405

Name Approval

A name application form ([FIN300](#)) must be filed to reserve the name of the proposed HMO.

Contents of the Application – 28 TAC §11.204

1. Name Application Form ([FIN300](#)).
2. HMO Application for a Certificate of Authority Form ([FIN302](#)).
3. Basic Organizational Documents: Articles of Incorporation and all amendments thereto, complete with the original incorporation certificate with charter number and seal indicating certification by the Texas Secretary of State
4. Documents Regulating the Internal Affairs of the Applicant: Bylaws; Rules/Regulations (documents should be certified by Corporate Secretary)
5. Officers and Directors Page Form ([FIN306](#)) and [Fingerprinting Requirements](#).
6. Organizational Chart
7. Fidelity Bond or Trust
8. Attorney for Service Form ([FIN312](#))

9. Evidence of Coverage
10. Financial Statement
11. Schedule of Charges, with an actuarial certification
12. Service Area Map
13. Any contract between the applicant, and:
 - (A) any person listed on the officers/directors page;
 - (B) any physician, medical group, association of physicians, delegated entity, delegated network, or any other provider;
 - (C) any exclusive agent or agency;
 - (D) any person who will perform management, marketing, administrative, data processing services; management contracts require a fidelity bond or deposit on officer/employees pursuant to TIC § 843.105;
 - (E) an ANHC which agrees to arrange for or provide health care services, other than medical care or services ancillary to the practice of medicine;
 - (F) any insurer or group hospital service corporation to offer indemnity benefits under a point of service contract.
 - (G) any delegated entity or network, as described in TIC Chapter 1272.
14. Quality Assurance Program
15. Statutory Deposit Transaction Form ([FIN407](#))
16. Insurance, guarantees and other protection against insolvency
17. Financial Authorization Release form will be provided toward the end of the application review and prior to the financial examination
18. Written description of health care plan terms and conditions
19. Network Configuration Information
20. Written description of the types of compensation arrangements
21. Emergency Care Services

22. Member Handbook
23. Notification of the physical address in Texas of all books and records
24. Description of the information systems, management structure and personnel that demonstrates the applicant's capacity to meet the needs of enrollees and contracted physicians and providers, and to meet the requirements of regulatory and contracting entities.
25. Description of the utilization management and utilization review program
26. URA name and certificate, if the applicant performs utilization review
27. Complaint and appeals procedures
28. Documentation of claim systems and procedures