



# Texas Department of Insurance

333 Guadalupe Street P.O. Box 149104 Austin, Texas 78714-9104  
512/463-6169

**September 30, 1996**

**Commissioner's Bulletin No. B-0068-96**

**TO: ALL HEALTH MAINTENANCE ORGANIZATIONS LICENSED IN TEXAS AND OTHER INTERESTED PARTIES**

**RE: Regulatory Changes For Health Maintenance Organizations**

Effective September 1, 1996, the Texas Department of Insurance (TDI) entered into an Inter-Agency Agreement with the Texas Department of Health (TDH). The agreement transferred responsibility for regulation of quality of care, accessibility, and availability from TDH to TDI. As a result of the transfer of responsibility, the TDI made some functional realignments as follows:

**Certificate of Authority Filings and Service Area Expansions**

The responsibility for licensing Health Maintenance Organizations (HMOs) will now reside at the Insurer Services Division of the TDI.

All applications for Certificates of Authority to act as an HMO, as well as any amendments to same, (including Service Area Expansions, changes to organizational documents, changes of officers and directors, changes in ownership, stop-loss contracts, dividends, information required by Article 20A.06(b)(1) affiliate agreements, any changes in affiliates, contracts with persons listed as officers and directors, and management contracts) should be filed directly with:

Kathy A. Wilcox, Director  
Insurer Services Division  
Texas Department of Insurance  
Mail Code 305-2C  
P. O. Box 149104  
Austin, Texas 78714-9104  
Telephone - 512/322-3507 Fax - 512/322-3550

Insurer Services will forward the appropriate exhibits to the HMO Division and Financial Monitoring for their review. The HMO Division will be responsible for the quality of care examinations in the initial certificate of authority and service area expansions application process. These pre-licensing exams may include some on-site quality reviews.

**Other Filings and Quality Assurance**

Filings subsequent to issuance of the certificate of authority regarding evidence of coverage, rates, physician and provider contracts, and quality assurance, should be filed directly with:

Leah Rummel, Deputy Commissioner  
HMO/URA Division  
Texas Department of Insurance  
Mail Code 106-3A  
P. O. Box 149104  
Austin, Texas 78714-9104  
Telephone - 512/322-4266 Fax - 512/322-3552

**Triennial and Target Examinations**

TDI will now conduct the triennial quality of care examinations (site exams) previously conducted by the TDH, as a component of their regular financial examinations. Inquiries regarding HMO examinations should be made to:

Joy Little, Chief Examiner  
Examinations Division  
Texas Department of Insurance  
Mail Code 305-2E  
P. O. Box 149104  
Austin, Texas 78714-9104  
Telephone - 512/322-5038 Fax - 512/322-5026

**Complaints**

The entry point for all complaints will continue to be the TDI's Consumer Protection Division. The complaints regarding HMO quality of care will now be forwarded to the HMO Division for resolution, rather than to the TDH as was the previous practice, because the HMO Section of TDI will now be responsible for investigating and responding to quality of care complaints. Complaints should continue to be directed to:

Complaints Resolution  
Life, Accident & Health Division  
Texas Department of Insurance  
Mail Code 111-1A  
P. O. Box 149104  
Austin, Texas 78714-9104  
Telephone - 512/463-6388 Fax - 512/475-1771

We look forward to our new responsibilities and will endeavor to make this transition as smooth as possible for all concerned. The TDI will continue to use quality improvement processes to review these new responsibilities and make further changes as appropriate. As always, your input and suggestions are welcome.

A handwritten signature in black ink, appearing to read 'Elton Bomer', written over a horizontal line.

ELTON BOMER  
COMMISSIONER OF INSURANCE

