HMO Certificate of Authority Application Checklist

Reference Texas Insurance Code, Chapter 843, and 28 Texas Administrative Code, Chapter 11, Subchapter C, §11.204 for compliance with state regulations relevant to an HMO Certificate of Authority Application. There is a $100 name reservation fee and $7,500 Certificate of Authority application fee. All documents should have identifying form numbers.

☐ 1. Name Reservation Application (FIN300); along with any certificate of reservation of corporate name issued by the secretary of state.

☐ 2. HMO Application for Certificate of Authority (FIN302)

☐ 3. Basic Organizational Documents - each document should include an original incorporation certificate, with charter number and seal indicating certification by the Texas Secretary of State.
   (a) Articles of Incorporation
   (b) Articles of Association
   (c) Partnership Agreement
   (d) Trust Agreement

☐ 4. Documents regulating the internal affairs of the applicant
   (a) by-laws
   (b) regulations / rules

☐ 5. Information on Officers, Directors and Staff
   A. Officer and Director Page (FIN306)
   B. Biographical Affidavits (NAIC UCAA Form 11)

☐ 6. Organizational Charts / Lists
   A. A chart or list identifying the relationship between the applicant and any affiliates; and a list of outstanding loans or contracts between applicant and affiliates;
   B. Internal Organization Chart
   C. Chart showing the contractual arrangements of the health care delivery system

☐ 7. Fidelity Bond or Deposit

☐ 8. Service of Legal Process and out-of-state Licensure Statement

☐ 9. Evidence of Coverage for Enrollees

☐ 10. Financial Information
    A. Current Financial Statement and Balance Sheet;
    B. 24-month period projected financial statements;
    C. Most recent audited financial statement

☐ 11. Schedule of Charges - For an example of premium calculations for managed care patients, look at chapter 19 of Group Insurance, an ACTEX Publication.

☐ 12. Service Area Map - Provide descriptions of the service area for the applicant.
13. Contracts - Provide copies of all contracts executed or to be executed between the applicant and any parties. All contracts must be in accordance with TDI rules.
   A. Standard Provisions for HMO Officers and Directors Agreements
   B. Standard Provisions for HMO Physician/Provider/ Subcontractor Agreements
   C. Standard Provisions for Exclusive Agents and/or Agency/HMO Agreements
   D. Standard Provisions for Management, Marketing, Administrative, Delegation, Data Processing, or Claims Processing Service HMO Agreements
   E. Hold Harmless Provisions
   F. Insurer or Group Hospital Service Corporation offering indemnity benefits under a point of service contract.

Management Contracts require a fidelity bond or deposit on officer/employees.

14. Quality Assurance Program - Provide general information about quality assurance program. (§843.82 and §843.102)

15. Insurance and Statutory Deposits - Protection against insolvency. (Forms FIN451, FIN452, and FIN441)
   (a) reinsurance agreements
   (b) conversion policy
   (c) Guarantee from a sponsoring Organization

16. Authorization of Financial Disclosure, TDI Form FIN141. This transaction is handled by the Financial Examinations Section. To obtain this form or for questions relating to this form, call (512)676-6885.

17. Information to prospective groups/enrollee contract holders - This should include terms and conditions made available for any prospective group/enrollee.

18. Network Configuration - Explain adequacy of the physician/provider network configuration.

19. Compensation Arrangement - Provide disclosure and explanations of all compensation arrangements.

20. Emergency Care Procedures - Document emergency care services, including payment procedures for services rendered by non-network physicians/providers.

21. Description of Procedures - By which a member handbook and materials relating to the complaint and appeal process and the independence review process will be provided to enrollees in languages other than English and to an enrollee who has a disability affecting communication or reading, pursuant to Insurance Code §843.205.

22. Notification of the physical address in Texas of all books and records.

23. 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.

24. Notarized certification bearing the original signature of the corporate secretary or corporate president of the applicant that the documents provided under sections (3), (4), and (7), and if applicable (13), are true, accurate and complete copies of the original documents.

THESE GUIDELINES ARE GENERAL IN NATURE AND DO NOT SUPERCEDE STATUTE OR REGULATION. THEY ARE NOT INTENDED TO BE ALL INCLUSIVE AND ADDITIONAL DOCUMENTATION MAY BE REQUESTED.

INCOMPLETE APPLICATIONS IMPEDE TIMELY REVIEW BY THE DEPARTMENT; THEREFORE, IT IS EXTREMELY IMPORTANT THAT APPLICATIONS ARE COMPLETE. SUBMIT A COMPLETE FILING TO THE TEXAS DEPARTMENT OF INSURANCE, COMPANY LICENSING AND REGISTRATION OFFICE, MC103-CL, 333 GUADALUPE, AUSTIN, TX 78701. FOR QUESTIONS OR INFORMATION CALL (512)676-6385