



Kansas Insurance Department

Vicki Schmidt, Commissioner of Insurance

Dear Sir or Madam,

This will acknowledge your recent request for information relative to obtaining a Certificate of Authority to transact business in this state as a Health Maintenance Organization (HMO).

In order to consider an application for such authority, pursuant to K.S.A. 40-3203, it will be necessary to file the following information with this Department:

1. An original Application for Certificate of Authority (verified by an officer or authorized representative) which may be found at <https://www.ksinsurance.org/documents/company/ah-life/hmo-application-for-cert-of-auth.pdf>.
2. A copy of the basic organizational documents of the organization such as the Articles of Incorporation, Partnership Agreements, Trust Agreements, Bylaws and/or other applicable documents.
3. A list of the names, addresses and official capacities of all persons who are to be responsible for the conduct of the organization's affairs, including all members of the governing board of directors, partners or members. See attached Official List.
4. A biographical sketch form for each of the persons listed in number three above. See NAIC Biographical Affidavit form (UCAA Expansion Form 11 may be found at http://www.naic.org/industry_ucaa.htm).
5. A detailed statement describing the organization, i.e. enrollment process; plan of operation; quality assurance mechanism including peer review; internal grievance procedures; methods for enrollee participation in organizational affairs; geographic areas to be served, location and hours of operation of staff facilities (if applicable); the type, specialty and number of health care personnel; the record keeping system to be used to provide documentation of utilization; a description of the medical record system to be utilized, and any other applicable information.
6. A copy of each type of Provider Agreement, each with a specific form number in the lower left hand corner of the front page.*
7. A copy of all contract (group service agreement) forms, certificate and endorsement forms providing benefits to enrollees, also identified with specific form numbers. Keep in mind that all group and non-group forms are subject to most of the requirements of K.S.A. 40-2201, et seq. as well as K.S.A. 40-2,100 thru 2,105, and 2,111 thru 2,114.*
8. The actuarial assumptions, rates and/or rating formulas for all contract forms submitted.*

9. A statement as to whether or not the entity will be marketing to groups of 50 or fewer eligible enrollees and if so, how you will comply with the contract and rating requirements of K.S.A. 40-2209a et seq.*
10. Evidence of adequate insurance coverage (e.g., errors and omissions, directors and officers liability, fidelity bond, general liability insurance, etc.) as may be required by K.S.A. 40-3203(b)(11). If the HMO is formed as a “medical group” or staff model” under K.S.A. 40-3202(r), then also include professional liability coverage pursuant to K.S.A. 40-3401 et seq.
11. The following financial information required by K.S.A. 40-3203(b)(7) should be provided:
 - a. A description of financing arrangements for operational deficits and for developmental costs if the entity has been operational for one year or less.
 - b. A copy of the most recent unaudited financial statements of the health maintenance organization.
 - c. Financial projections in conformity with statutory accounting principles for a minimum of three (3) years from the anticipated date of certification. In addition to the projections, a detailed narrative identifying and justifying the assumptions considered when making the projections should be included.
12. An explanation as to how you intend to satisfy the deposit requirements of K.S.A. 40-3227.

Pursuant to K.S.A. 40-3227(h), the deposit requirements imposed by this act shall not apply to health maintenance organizations not organized under the laws of this state to the extent an amount equal to or exceeding that required by this act has been deposited with the commissioner or an organization or trustee acceptable to the department of insurance of its state of domicile for the benefit of Kansas enrollees. *(Our intent is that the deposit would need to be held in such state of domicile for the protection of all enrollees, wherever located.)* A health maintenance organization not domiciled in Kansas may demonstrate compliance with our deposit requirements by submitting a Certificate of Deposit from the depository in the domiciliary state which reflects a deposit in an amount equal to or exceeding that required by K.S.A. 40-3227.

K.S.A. 40-3227(g) states the commissioner may waive any of the deposit requirements set forth in subsection (f) under specified conditions. Such a waiver will only be considered upon a written request that includes the statutory justification with respect to why such a waiver should be granted.

13. Submit a plan for handling insolvency pursuant to K.S.A. 40-3227(k).
14. Submit an original Uniform Consent to Service of Process form in a hard copy format (UCAA Expansion Form 12 may be found at http://www.naic.org/industry_ucaa.htm). Such consent should be executed by the president and secretary of the entity and should be accompanied by a duly certified copy of the order or resolution of the board of directors, trustees or managers authorizing the president and secretary to execute the same.

15. Submit a financial statement of the health maintenance organization's ultimate parent company (audited financial statement is preferred or an unaudited financial statement certified by the Chief Financial Officer).
16. Kansas domestic HMO formation only (additional statutory requirements):
 - a. K.S.A. 40-204, 205, 205a Issuance of permits required for the sale of stock
 - b. K.S.A. 40-3301, et seq. Insurance Holding Companies

The application, all accompanying documents and the \$150.00 filing fee required by K.S.A. 40-3213(a)(1) must be submitted with a letter of transmittal.

Please submit in a separate binder or notebook a duplicate copy of all information requested in this letter.

If you have any questions regarding the requirements set forth above, please do not hesitate to contact me.

Sincerely,

Mark McClaffin
Policy Examiner
Health and Life Division
Mark.McClaffin@ks.gov
785-296-7863

*If your company intends to operate in Kansas as a Medicare Provider Organization or HMO which contracts with the state pursuant to K.S.A. 40-3210 exclusively, it will not be necessary to file the information requested in paragraphs six through nine above.

INSURANCE DEPARTMENT, STATE OF KANSAS

OFFICIAL LIST

PLEASE COMPLETE THIS FORM CORRECTLY AS OUR RECORDS ARE MAINTAINED FROM THE COMPANY'S OFFICIAL LIST ON FILE.

(Name of Company) (Date Completed)

STATUTORY HOME OFFICE (I)

(State of Domicile) (Street Address) (City, State, Zip)

Telephone Number _____ Toll Free Number _____
Fax Number _____

MAIN ADMINISTRATIVE OFFICE (II)

(Street Address) (City, State, Zip)

Telephone Number _____ Toll Free Number _____
Fax Number _____

MAIL ADDRESS (III)

(Street Address or PO Box) (City, State, Zip)

Telephone Number _____ Toll Free Number _____
Fax Number _____

The following persons occupy the official positions named below (IV)

<u>NAME</u>	<u>OFFICIAL TITLE</u>	<u>OFFICE ADDRESS</u>
_____	PRESIDENT	_____
_____	SECRETARY	_____

COMPLETED BY: _____

Telephone No: _____

Email Address: _____

See instructions below for completing official list

INSTRUCTIONS FOR COMPLETING OFFICIAL LIST

- (I) STATUTORY HOME OFFICE: As identified with the Certificate of Authority issued by your domiciliary state.

- (II) MAIN ADMINISTRATIVE OFFICE: Location of the company's main administrative office.

- (III) MAIL ADDRESS: Address the company wants mail to go to if other than the Main Administrative Office address; may be a P.O. Box number and the associated zip code.

- (IV) Furnish information for only the positions and addresses set out on the front side. **Do not alter or insert** additional positions or addresses. If no one holds a position listed, indicate "NONE". This Department is to be notified promptly of any changes that occur in the positions, addresses and/or telephone numbers during the year.

Do Not Return This Page