

COMPANY ADMISSION WORKSHEET / CHECKLIST OF KENTUCKY ADMISSION REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS AND LIMITED HEALTH SERVICE ORGANIZATIONS

Company Name _____

Date of Initial Filing of Admission Material _____

IRS No. _____ NAIC No. _____

1. Certificate of Authority Application (Form 103)

Designate the types of services to be authorized to provide: **Health Maintenance Organization** – authorized to provide all health care services or **Limited Health Service Organization** – authorized to provide to provide limited health service or services to enrollees such as dental care services, vision care services, mental health services, substance abuse services, chiropractic services, pharmaceutical services, podiatric care services, and such other services as may be determined by the Commissioner to be limited health services.

2. Health Maintenance Organizations Only

Evidence that the applicant has been issued a Certificate of Need in accordance with the provisions of KRS Chapter 216B, or evidence that no Certificate of Need is required by KRS Chapter 216B.

3. Domestic Health Maintenance Organizations and Limited Health Service Organizations

Articles of Incorporation or partnership agreement filed in quadruplicate originals acknowledged and verified by the applicant, such as the articles of incorporation, articles of association, partnership agreement, or other applicable documents.

Foreign Health Maintenance Organizations and Limited Health Service Organizations

One (1) copy of Articles of Incorporation acknowledged and verified by the applicant.

4. Domestic Health Maintenance Organizations and Limited Health Service Organizations

Initial Bylaws of the organization.

Foreign Health Maintenance Organizations and Limited Health Service Organizations

One (1) copy of Bylaws acknowledged and verified by the applicant.

5. A Statement Including

- a. the health services to be offered;
- b. the financial risks to be assumed;
- c. the initial geographic area to be served;
- d. pro forma financial projections for the first three (3) years of operations including the assumptions the projections are based upon;
- e. the sources of working capital and funding;
- f. a description of the persons to be covered by the health maintenance organization;
- g. any proposed reinsurance agreements;
- h. any proposed management, administrative, or cost-sharing arrangements; and
- i. a description of the proposed method of marketing.

6. The names, addresses, and positions of the initial board of directors, board of trustees, or other governing body responsible for the conduct of the affairs of the applicant
7. Biographical affidavits (use UCAA Form 11 found at http://www.naic.org/industry_ucaa.htm) for all directors and all principal officers of the applicant
8. **Background investigative reports for all directors and all principal officers of the applicant**
Please refer to the NAIC's UCAA website at http://www.naic.org/industry_ucaa.htm "Third-Party Vendors for Background Reports" for specific information regarding background investigation vendors.
9. **Organizational chart**
10. **For both domestic and foreign Health Maintenance Organizations**
To qualify for authority to act as a health maintenance organization, shall possess and thereafter maintain unimpaired paid-in capital stock of one million dollars (\$1,000,000), and, when first so authorized, shall possess initial free surplus of not less than two million dollars (\$2,000,000). Thereafter, an authorized health maintenance organization shall possess and maintain a total of at least one million two hundred fifty thousand dollars (\$1,250,000) in its capital accounts and shall comply at all times with the risk-based capital requirements in administrative regulations promulgated by the Commissioner.
11. **For domestic and foreign Limited Health Service Organizations**
In order to qualify for authority to act as a limited health service organization, a corporation shall have an initial net worth of at least \$250,000 when first so authorized. Thereafter, the limited health service organization shall maintain a net worth of at least \$125,000 and shall comply at all times with the risk-based capital requirements in administrative regulations promulgated by the Commissioner.
12. **Foreign Health Maintenance Organizations and Limited Health Service Organizations**
Submit a copy of the report of last examination (conducted within the past 5 years) of the insurer prior to the filing of the application, certified by the public insurance supervisory officials of the insurer's state or country of domicile.
13. **Foreign Health Maintenance Organizations and Limited Health Service Organizations**
Submit a copy of the insurer's last preceding annual statement, together with any subsequent quarterly statements, sworn to by at least two (2) of the insurer's executive officers.
14. **Domestic Health Maintenance Organizations and Limited Health Service Organizations**
Submit copies of minutes of organizational meetings, stockholder and/or partnership meetings, Board of Directors' meetings, Board of Directors' Executive Committee meetings and Finance Committee meetings.
15. **Foreign Health Maintenance Organizations and Limited Health Service Organizations**
Sworn statement executed by the President or Secretary, indicating (1) whether or not the application for admission to any other state has ever been declined, and (2) whether or not there have been any disciplinary action(s) taken by other state insurance department(s) in the past three (3) years preceding the date of this application. Explain fully any adverse actions.
16. **Submit balance sheet as of a date (just prior to approval) to be designated by this Office and verified by the oaths of at least two (2) of the insurer's principal officers, certifying the assets, liabilities and net worth of the HMO and LHSO**
17. **Foreign Health Maintenance Organizations and Limited Health Service Organizations**
 - a. Certificate of Compliance, executed by the appropriate officials of the state of domicile.
 - b. Form 800 – Designation of Agency for Service of Process.
 - c. Letter from domiciliary state official, outlining the admission requirements for a similar Kentucky HMO or LHSO applying for admission in its state pertaining to such items as minimum capital and surplus funds, period of operation, special and general deposits, fees, etc.

18. Deposits

Domestic Health Maintenance Organization - Upon admission, a deposit of cash or securities approved by the Commissioner in an amount not less than five hundred thousand dollars (\$500,000).

Foreign Health Maintenance Organization - Certificate of Deposit from domiciliary state showing at least \$500,000 on deposit for the protection of all policyholders.

Limited Health Service Organization – Upon admission, a deposit of cash or securities approved by the Commissioner in an amount not less than fifty thousand dollars (\$50,000).

19. Status of applicant HMO’s and LHSO’s licenses and pending licenses in other states

20. Fees for Filing Application

Foreign Health Maintenance Organizations and Limited Health Service Organizations:

Annual Statement	\$100.00 (non-refundable)
Charter Documents	\$100.00 (non-refundable)
Issuance of Certificate of Authority	\$500.00
TOTAL	\$700.00

REMINDER: Kentucky is a retaliatory state and all fees, premium taxes, deposits will be charged at the rate in Kentucky Law or the rate charged by the domiciliary state, whichever is higher.

Domestic Health Maintenance Organizations and Limited Health Service Organizations:

Charter Documents	\$100.00 (non-refundable)
Issuance of Certificate of Authority	\$500.00
TOTAL	\$600.00

NOTE: Please make check payable to the **KENTUCKY STATE TREASURER**. Any questions should be addressed to the Financial Standards and Examination Division 502-564-6082.