WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION

Form #2

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FILED

JUN 28 4 13 PM '95

OFFICE OF WEST VIRGINIA SECRETARY OF STATE

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: Insurance Commissioner TITLE NUMBER: 114

RULE TYPE: Legislative ; CITE AUTHORITY W. Va. Code §§ 33-25A-3(4), 3(5), 9, 12(4) and 22.

AMENDMENT TO AN EXISTING RULE: YES ___ NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: ___

TITLE OF RULE BEING AMENDED: ___

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: Series 46

TITLE OF RULE BEING PROPOSED: Filing Procedures for Health Maintenance Organizations

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON July 28, 1995 AT 4:30 p.m. ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS.

Ellen Archibald, Associate Counsel
Post Office Box 50540
2019 Washington Street, East
Charleston, West Virginia 25305-0540
(304)558-0401

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.

B. Keith Haught, General Counsel
Authorized Signature

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

12.30

STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON
Governor

HANLEY C. CLARK
Insurance Commissioner

CONSENT TO FILING OF RULE

To Whom It May Concern:

Pursuant to West Virginia Code § 5F-2-2(a)(12), the undersigned hereby grants consent to the filing of the following rule proposed by the Insurance Commissioner of the State of West Virginia: Title 114, Series 46, relating to "Filing Procedures for Health Maintenance Organizations".

Signed this 26th day of June, 1995.

James H. Paige, III
Secretary of Tax and Revenue

2019 Washington Street, East
P.O. Box 50540
Charleston, West Virginia 25305-0540

"We are an Equal Opportunity Employer"

Telephone (304) 558-0401
Facsimile (304) 558-0412

Insurance Commissioner
Legislative Rule
Title 114, Series 46

FILING PROCEDURES FOR HEALTH MAINTENANCE ORGANIZATIONS

Title 114, Series 46

STATEMENT OF CIRCUMSTANCES

This is a new rule covering application and annual report filing procedures for health maintenance organizations. The rule incorporates filing requirements as amended by House Bill 2619, passed March 11, 1995.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Title 114, Series 46
Filing Procedures for Health Maintenance Organizations

Type of Rule: _X_ Legislative ____ Interpretive ____ Procedural

Agency: INSURANCE COMMISSIONER

Address: Post Office Box 50540
2019 Washington Street, East
Charleston, West Virginia 25305-0540

==========

1. Effect of Proposed Rule

	ANNUAL		FISCAL YEAR		
	Increase	Decrease	Current	Next	Thereafter
ESTIMATED TOTAL COST	None				
PERSONAL SERVICES	None				
CURRENT EXPENSE	None				
REPAIRS AND ALTERNATIONS	None				
EQUIPMENT	None				
OTHER	None				

2. Explanation of above estimates:

There will be no additional fiscal impact on state, local or federal government.

3. Objectives of these rules:

The objective is to state filing requirements and procedures for health maintenance organizations' applications for certificates of authority and amendments to certificates of authority and for annual reports.

Rule Title: Filing Procedures for Health Maintenance Organizations

4. **Explanation of Overall Economic Impact of Proposed Rule.**

A. **Economic Impact on State Government.**

None.

B. **Economic Impact on Political Subdivisions; Specific Industries; Specific groups of Citizens.**

The rule will have no economic impact on political subdivisions, admitted HMO's or any specific citizen group. HMO's are subject to statutory examination and filing fees.

C. **Economic Impact on Citizens/Public at Large.**

This rule will have no direct economic impact on citizens. The rule will protect the public in that HMO's must submit to the state's jurisdiction and file reports to satisfy the Insurance Commissioner that they are financially solvent.

Date: 6/28/95

Signature of Agency Head or Authorized Representative

B. Kent Holliman, General Counsel

Insurance Commissioner
Legislative Rule
Title 114, Series 46

FILING PROCEDURES FOR HEALTH MAINTENANCE ORGANIZATIONS

Title 114, Series 46

BRIEF SUMMARY OF RULE

This rule states the requirements for every health maintenance organization's application for a certificate of authority and amendment to certificate of authority and for the filing of an annual financial report and an annual report of grievance procedure and actual grievances.

114CSR46

WEST VIRGINIA LEGISLATIVE RULE
INSURANCE COMMISSIONER

SERIES 46
FILING PROCEDURES FOR HEALTH MAINTENANCE ORGANIZATIONS

Section	
114-46-1.	General
114-46-2.	Application for Certificate of Authority
114-46-3.	Application for Amendment to Certificate of Authority
114-46-4.	Annual Financial Statement
114-46-5.	Grievance Procedure Annual Report
114-46-6.	Regulation of Marketing
Appendix 1.	Format for Application for Certificate of Authority
Appendix 2.	Biographical Statement and Affidavit Form
Appendix 3.	Fidelity Bond Worksheet Form HMO-FID-I
Appendix 4.	Acknowledgment and Waiver of Chief Executive Officer on Behalf of HMO Applicant Form
Appendix 5.	Resident Agent Form IC-FC30
Appendix 6.	Health Maintenance Organization Application for a Certificate of Authority Filing Fee Remittance Form
Appendix 7.	Health Maintenance Organization Application for Amendment to Certificate of Authority Filing Fee Remittance Form HMO-COAAMEND-1
Appendix 8.	Health Maintenance Organization County Enrollment Worksheet
Appendix 9.	HMO Annual Grievance Report Form
Appendix 10.	HMO Subscriber Verification Form
Appendix 11.	HMO Subscriber Confirmation Form

114CSR46

FILED

JUN 28 4 13 PM '95

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATIVE RULE
INSURANCE COMMISSIONER

SERIES 46
FILING PROCEDURES FOR HEALTH MAINTENANCE ORGANIZATIONS

§ 114-46-1. General.

1.1. Scope. -- This rule applies to all persons or entities which are licensed or which may be required to be licensed pursuant to the provisions of West Virginia Code § 33-25A-1 et seq.

1.2. Authority. -- W. Va. Code § 33-25A-3(4), 3(5), 9, 12(4), 15 and 22.

1.3. Filing Date. --

1.4. Effective Date. --

§ 114-46-2. Application for Certificate of Authority.

2.1. Each application for a certificate of authority submitted by a health maintenance organization shall be in the format described in Appendix 1 attached hereto.

2.2. Each application shall be verified by an officer or authorized representative of the applicant.

2.3. Each application shall set forth or be accompanied by:

a. The applicant's name; trade name, if any; address and telephone number; name, address and telephone number of attorney or principal filing the application;

b. A copy of the applicant's basic organizational document, and any amendments, stamped with the date of filing, together with:

A. An original certificate issued by the Secretary of State of the state under whose laws the applicant is organized, certifying that the attached organizational document(s) is(are) a true and correct copy of the original filed in the Secretary of State's office;

B. Copy of the stock certificate(s) issued by the applicant, together with a listing of capital (par value per share) and surplus (per share contribution in excess of par value); and

C. A description of the applicant's legal history in chronological order, including predecessor corporations or organizations, mergers, reorganizations and changes of ownership, the dates thereof and the parties involved;

c. The applicant's bylaws, rules, regulations or similar form of document regulating the conduct of the applicant's affairs;

d. A list of the names, addresses and official positions of all persons responsible for the conduct of the applicant's affairs, including all officers, members of the applicant's board of directors or other governing body and persons owning five percent (5%) or more of the applicant. The list shall contain:

A. A full disclosure of any financial interest in the health maintenance organization held by

(a) any officer or member of the governing body;

(b) any provider, as defined in W. Va. Code § 33-25A-2(18);

(c) any organization or corporation owned or controlled by an officer or member of the governing body or by a provider;

B. A full disclosure, by any person owning five percent (5%) or more of the applicant, of the extent of such person's ownership interest in all parent organizations, subsidiaries and affiliated organizations of the applicant, together with an organizational chart depicting all levels of ownership of the applicant and its parent organizations, subsidiaries and affiliated organizations;

C. The extent and nature of any contract or financial arrangements between an officer or member of the governing body or a provider and the health maintenance organization;

D. A completed "Biographical Statement and Affidavit" (form attached hereto as Appendix 2) for each officer, director, manager and administrator of the applicant, including,

but not limited to, the applicant's executive director, medical director, finance director and marketing director, and for each person owning five percent (5%) or more of the applicant;

E. An independent investigation report on each individual reported under subparagraph D of this section above must be submitted by an independent investigator, which has been approved in writing by the Insurance Commissioner, directly to:

Financial Conditions Division
West Virginia Insurance Commissioner
P.O. Box 50540
Charleston WV 25305-0540

e. A description of the applicant, including:

A. Whether it is or will be organized for profit or not for profit;

B. Whether it is or will be a Staff, Model, IPA Model or Combination Model health maintenance organization;

C. The method of compensation (fee for service, capitated basis, etc.) for providers; and

D. A statement describing the service area or areas and the type or types of enrollees to be served by the applicant.

f. A copy of contract forms used by the applicant, including:

A. Each health maintenance contract;

B. Each evidence of coverage form;

C. Member handbook(s) to be offered to enrollees, showing benefits to which enrollees will be entitled together with any riders and endorsements;

D. Each type of provider contract, which must hold harmless all enrollees and otherwise comply with W. Va. Code § 33-25A-7a;

E. Alphabetical list of all providers with whom the applicant has contracted for services, sorted by county and by specialty, and corresponding signature page(s) from each executed provider contract, sorted alphabetically, by county and by specialty.

g. A description of the applicant's enrollee grievance procedure, including all formal and informal steps for resolving grievances;

h. The applicant's financial statements, including:

A. Assets, liabilities and sources of financial support of the applicant and any corporation or organization owned or controlled by the applicant, evidencing adequate funding to meet continuously the minimum capital and surplus requirements required by W. Va. Code § 33-25A-4(2)(c)(ii);

B. Monthly pro forma financial statements including balance sheet, income statement and cash flow analysis, with annual totals, for the greater of three (3) years or until the applicant is projected to be profitable for twelve (12) consecutive months, on a statutory accounting principal basis with documentation of all assumptions used and income, expense and capital items projected;

C. Proposed initial cash and cash reserves summary, including loan receipts, loan repayments, stock sales, etc., and describing all sources and terms of funding; an independently certified, audited financial statement must be submitted for each guarantor;

D. Declaration that all investments have been valued for asset purposes on a basis currently approved by the National Association of Insurance Commissioners (NAIC), or, if any investments have not been so valued, a description of each such item and its basis of value shown on the "Asset Page" of the balance sheet;

E. The applicant's proposed methods for limiting its financial risk, including:

(a) If the applicant has secured reinsurance coverage, an executed copy of each applicable policy must be submitted, together with each reinsurance agreement and any

modification(s);

(b) Any risk sharing with providers or other parties, referencing the applicable sections of any provider contracts that demonstrate such risk sharing.

F. A completed "Fidelity Bond Worksheet"(Form HMO-FID-1 attached hereto as Appendix 3) and copy of the applicant's fidelity bond in the amount prescribed by the worksheet;

G. Description and documentation of the applicant's arrangements to guarantee the continuation of benefits to enrollees and payments to providers for services rendered either prior to or after insolvency, for the duration of the enrollee's contract period for which payment has been made or until the discharge of an enrollee from an inpatient facility in which the enrollee is confined on the date of the applicant's insolvency;

i. The applicant's proposed marketing plan, including:

A. Marketing strategy for each major enrollment category (group, individual, PEIA, Medicare, Medicaid), including:

(a) Criteria for selection of primary and secondary targets;

(b) Use of underwriting guidelines; and

(c) Plans for community education and public relations.

B. Proposed charges for each enrollment category; and

C. Detailed marketing budget covering projected income, expenses and other sources of future capital for the greater of three (3) years or until the applicant is projected to be profitable for twelve (12) consecutive months:

(a) The marketing budget shall reflect each program objective stated in subparagraph A. above and shall

include, but not be limited to, compensation, local and out-of-town travel, equipment, printing and postage, advertising and public relations, expense accounts and meeting costs and publications, if applicable.

j. If the applicant is not domiciled in West Virginia, a power of attorney duly executed by the applicant, appointing the commissioner and his or successors in office and duly authorized deputies as the true and lawful attorney of the applicant in and for this State upon whom all lawful process in any legal action or proceeding against the applicant on a cause of action arising in this State may be served;

k. Description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of the applicant's policies and operation;

l. Comprehensive feasibility study performed by a qualified independent actuary in conjunction with a certified public accountant:

A. The study shall include a certification by the actuary and an opinion by the certified public accountant as to the proposed organization's feasibility;

B. The study shall be for the greater of three years or until the applicant is projected to be profitable for twelve (12) consecutive months;

C. The study must show that the applicant would not, at the end of any month of the projection period, have less than the minimum capital and surplus required by W. Va. Code § 33-25A-4(2)(c)(ii);

D. The actuary shall certify that:

(a) The rates are neither inadequate nor excessive nor unfairly discriminatory;

(b) The rates are appropriate for the classes of risks for which they have been computed;

(c) The rating methodology is appropriate, provided that the certification shall include an adequate description of the rating methodology showing that the

methodology follows consistent and equitable actuarial principles;

(d) The applicant is actuarially sound, provided that the certification shall consider the rates, benefits and expenses of, and any other funds available for the payment of obligations of, the applicant;

(e) The rates being charged or to be charged are actuarially adequate to the end of the period for which rates have been guaranteed; and

(f) Incurred but not reported claims and claims reported but not fully paid have been adequately provided for;

E. A copy of the study, for information only, must be sent to:

Rates and Forms Division
West Virginia Insurance Commissioner
P.O. Box 50540
Charleston WV 25305-0540

The submission of a copy of the study does not constitute an official filing of the applicant's rates and forms.

m. Description of assumptions underlying enrollment projections, including:

A. Projection of enrollment for the same number of years for which financials are submitted under part 2.3.h.B. above;

B. Number of eligible persons residing within the proposed service area;

C. Contract size assumptions (contract distribution and content);

D. Penetration assumptions and rationale, including initial and re-enrollments;

E. Allowance for involuntary/voluntary disenrollment and group contract additions during each year;

F. Month and year of break-even and enrollment at such date; and

G. Plan for emergency and out-of-area health care.

n. Description of competition, including:

A. Identification of the applicant's competitors operating in applicant's proposed geographic service area; and

B. Major differences between the applicant and competitors listed in subparagraph A. above.

o. Notarized acknowledgments, which may be submitted on "Acknowledgment and Waiver of Chief Executive Officer on Behalf of HMO Applicant" (form attached hereto as Appendix 4),

A. That a delinquency proceeding pursuant to W. Va. Code Chapter 33, Article 10, or supervision by the Insurance Commissioner pursuant to W. Va. Code Chapter 33, Article 34, constitutes the sole and exclusive method for the liquidation, rehabilitation, reorganization or conservation, respectively, of a health maintenance organization;

B. That the applicant waives any right to file or be subject to, as a debtor, any federal bankruptcy proceeding; and

C. That the applicant's chief executive officer has read and understands his or her obligations under W. Va. Code Chapter 33, Article 35, which imposes criminal sanction for the failure to report to the Insurance Commissioner an impairment of the health maintenance organization.

p. Acknowledgment ("Resident Agent" Form IC-FC30 attached hereto as Appendix 5) that once licensed, applicant will observe the resident agent's law of West Virginia, including the countersignature and other requirements of West Virginia Code Chapter 33, Article 12;

q. Description of the applicant's arrangements for ongoing evaluation of its quality of health care;

r. The applicant's procedure for development, compilation, evaluation and reporting of statistics relating to the cost of its operations, availability and accessibility of its services, pattern of utilization of its services and the quality of health care provided; and

s. Such other information as the commissioner may request during review of the application.

2.4. The applicant must file an original application and two copies with:

West Virginia Insurance Commissioner
P.O. Box 50540
Charleston WV 25305-0540

2.5. The application must be accompanied by a completed "Health Maintenance Organization Application for a Certificate of Authority Filing Fee Remittance Form" (attached hereto as Appendix 6) and a check in the amount of two hundred dollars ($200.00) payable to the "West Virginia Insurance Commissioner".

2.6. One copy of the application, together with copies of all related correspondence with the West Virginia Insurance Commission, must be mailed to:

Marianne K. Stonestreet, General Counsel
Health Care Cost Review Authority
100 Dee Dr., Suite 201
Charleston WV 25311-1692

2.7. Prior to the issuance of a certificate of authority, the Financial Conditions Division will contact the applicant to initiate the depositing of cash or government securities with the state treasurer pursuant to West Virginia Code § 33-25A-4(2)(h).

§ 114-46-3. Application for Amendment to Certificate of Authority

3.1. Each application for an amendment to a health maintenance organization's certificate of authority must be accompanied by a completed "Application for Amendment to Certificate of Authority Filing Fee Remittance Form" (Form HMO-COAAMEND-1 attached hereto as Appendix 7) and a check in the

amount of two hundred dollars ($200.00) payable to the "West Virginia Insurance Commissioner."

§ 114-46-4. Annual Financial Statement.

4.1. Each annual financial statement submitted by a health maintenance organization to the commissioner shall include, but not be limited to:

a. A financial statement on a West Virginia statutory accounting basis of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (i) all prepayment and other payments received for health care services rendered; (ii) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract; and (iii) expenditures for capital improvements, or additions thereto, including, but not limited to, construction, renovation or purchase of facilities and capital equipment;

b. The number of new enrollees enrolled during the year, the number of enrollees as of the end of the year and the number of enrollees terminated during the year, using the "Health Maintenance Organization County Enrollment Worksheet" (form attached hereto as Appendix 8);

c. A summary of information compiled in such form as may be required by the West Virginia department of health and human resources or other accredited entity, relating to the cost of the health maintenance organization's operations, the pattern of utilization of its services and the quality, availability and accessibility of its services;

d. A report of the names and residence addresses of all persons responsible for the conduct of the health maintenance organization's affairs, including all officers of the health maintenance organization, members of its board of directors or other governing body, providers and persons owning five percent (5%) or more of the health maintenance organization, who were associated with the health maintenance organization during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health

maintenance organization, including a full disclosure of any contract or financial arrangement between any such person and the health maintenance organization during the preceding year; and

e. Such other information relating to the health maintenance organization as the commissioner may request during review of the financial statement.

§ 114-46-5. Grievance Procedure Annual Report.

5.1. Each health maintenance organization shall file an annual report on its grievance procedure, using "HMO Grievance Report for the Year ____" (form attached hereto as Appendix 9) to describe its grievance procedure and to report actual grievances filed against the health maintenance organization, their disposition and their underlying causes.

§ 114-46-6. Regulation of Marketing.

6.1. After a subscriber signs an enrollment application and before the health maintenance organization may process the application changing or initiating the subscriber coverage, the health maintenance organization must verify the intent and desire of the individual to join the health maintenance organization.

a. The verification must be in writing and must be conducted by someone outside the health maintenance organization's marketing department.

b. Each verification, using the Subscriber Verification Form attached hereto as Appendix 10, shall confirm that:

A. The subscriber intends and desires to join the health maintenance organization;

B. If the subscriber is a Medicare or Medicaid recipient, the subscriber understands that, by joining the health maintenance organization, he or she will be limited to the benefits provided by the health maintenance organization, and Medicare or Medicaid will pay the health maintenance organization for the subscriber coverage;

C. The subscriber understands the applicable restrictions of health maintenance organizations, especially that he or she must use the health maintenance organization providers and secure approval from the health maintenance organization to use health care providers outside the plan; and

D. If the subscriber is enrolled as a member of a health maintenance organization, the subscriber understands that he or she is transferring to another health maintenance organization.

6.2 The health maintenance organization shall not pay a commission, fee, money or any other form of scheduled compensation to any health insurance agent until verification from the subscriber of his or her intent and desire to enroll in the health maintenance organization has been secured and the enrollment process has been completed:

a. The health maintenance organization shall verify the subscriber's intent to enroll by a written notice, using the Subscriber Confirmation Form attached hereto as Appendix 11:

A. The Subscriber Confirmation Form shall state that the subscriber has transferred from his or her existing coverage to the new health maintenance organization;

B. The Subscriber Confirmation Form shall be accompanied by printed materials explaining the nature of the health maintenance organization and any applicable restrictions and exclusions; and

C. The Subscriber Confirmation Form shall state the subscriber's enrollment date and when benefits will begin.

b. The enrollment process shall be considered complete seven (7) days after the health maintenance organization mails the Subscriber Confirmation Form and all attachments.

STATE OF WEST VIRGINIA
INSURANCE COMMISSIONER

HEALTH MAINTENANCE ORGANIZATION
APPLICATION GUIDELINES FOR CERTIFICATE OF AUTHORITY
CHAPTER 33, ARTICLE 25A OF THE WEST VIRGINIA CODE

Mail Completed Application to:

West Virginia Insurance Commission
Financial Conditions Division
2019 Washington Street E.
P.O. Box 50540
Charleston, West Virginia 25305-0540

Pursuant to Chapter 33, Article 25A, of the West Virginia Code, the application is hereby submitted to form and operate a Health Maintenance Organization ("HMO").

Name, trade name and address of the Health Maintenance Organization Applicant:

NAME: _____

TRADE NAME: _____

ADDRESS: _____

CITY: _____

STATE: _____ ZIP CODE: _____

PHONE: ( ) _____

ATTORNEY OR PRINCIPAL FILING THIS APPLICATION, ON BEHALF OF THE HMO APPLICANT:

NAME: _____

ADDRESS: _____

CITY: _____

STATE: _____ ZIP CODE: _____

PHONE: ( ) _____

Pursuant to the West Virginia Code, a Health Maintenance Organization means a public or private organization which provides or otherwise makes available to enrollees, health care services, including at a minimum basic health care services which:

(a) Receives premiums for the provision of basic health care services to enrollees on a prepaid per capita or prepaid aggregate fixed sum basis excluding copayments;

(b) Provide physicians' services primarily (i) directly through physicians who are either employees or partners of the organization, or (ii) through arrangements with individual physicians or one or more groups of physicians organized on a group practice or individual practice arrangement, or (iii) through some combination of paragraphs (i) and (ii) of this subdivision;

(c) Assures the availability, accessibility and quality, including effective utilization, of the health care services which it provides or makes available through clearly identifiable focal points of legal and administrative responsibility; and

(d) Offer services through an organized delivery system, in which a primary care physician is designated for each subscriber upon enrollment.

I. CERTIFICATE OF AUTHORITY

1. Each application must set forth or be accompanied by the information and documentation required by these Application Guidelines. Failure to provide complete information or documentation or to fully comply with any of the provisions or requirements of these guidelines or applicable law, shall result in the rejection or denial of the application by the Insurance Commissioner.

2. Each application for a certificate of authority must be verified by an officer or authorized representative of the HMO Applicant. A verification form entitled "CERTIFICATION" is included with this application packet and must be completed and filed with each application.

3. Please complete the enclosed "HEALTH MAINTENANCE ORGANIZATION APPLICATION FOR A CERTIFICATE OF AUTHORITY FILING FEE REMITTANCE FORM" and attach thereto a check in the amount of $200 made payable to the "Insurance Commissioner of West Virginia."

4. The HMO applicant must file an original and two copies of its application with the West Virginia Insurance Commission. The Insurance Commissioner may request additional copies. Please forward a third copy of this application and copies of all related correspondence with the West Virginia Insurance Commission to:

Marianne K. Stonestreet, General Counsel
Health Care Cost Review Authority
100 Dee Drive, Suite 201
Charleston, WV 25311-1692

II. ORGANIZATIONAL/MANAGERIAL

5. Submit a certified copy of the Articles of Incorporation of the HMO Applicant and certified copies of all amendments thereto.

   Note: The Articles of Incorporation must be current and executed, with an original certificate from the Secretary of State certifying that attached to the certificate is a true and correct copy of the Articles of Incorporation with the Articles of Incorporation date stamped (proof of filing).

6. Submit copies of the stock certificate(s) issued by the HMO Applicant. Provide a breakdown between capital (par value) and surplus (contributed above par).

7. Describe the legal history of the HMO Applicant.

   Note: In chronological order, describe the legal history of the HMO Applicant including predecessor corporations or organizations, mergers, reorganizations, and change of ownership. Be specific as to dates and parties involved.

8. Submit a copy of the bylaws, rules, and regulations, or similar form of document regulating the conduct of the affairs of the HMO Applicant.

9. Submit a list of the names, addresses, and official capacities with the HMO Applicant, of all persons responsible for the conduct of the affairs of the HMO. Include all officers, directors and persons holding five percent or more of the common stock of the organization.

(A) These individuals must fully disclose to the Insurance Commissioner and the Board of Directors of the HMO Applicant the extent and nature of all contracts or arrangements with the HMO Applicant. This disclosure shall include any and all possible conflicts of interest.

(B) Persons holding five percent or more of the common stock of the organization must disclose the extent of ownership interest in all parent organizations, subsidiaries and affiliated companies. The disclosure must include an organizational chart depicting all levels of ownership including all subsidiaries and parent organizations along with all affiliated companies and corresponding percentages of ownership.

(C) Submit complete biographical information, on the form prescribed by the Insurance Commissioner, on all officers, directors, managers and administrators of the HMO Applicant and all persons holding five percent or more of the common stock of the organization. Include key management positions such as the executive director, medical director, finance director and marketing director.

Note: A blank BIOGRAPHICAL STATEMENT AND AFFIDAVIT form is included in this application kit for you to copy and use in order to comply with subsection (c) above.

10. Submit an independent investigation report on all of the individuals identified in Question #9 above, including all officers, directors and persons holding five percent or more of the common stock of the organization. The reports must be forwarded directly to the Financial Conditions Division of the West Virginia Insurance Commissioner from the independent investigators.

Note: Person(s) required to furnish an investigation report may use:

Equifax Services, Inc.
P.O. Box 2729
Jacksonville, Fla. 32203
(904) 733-7550

or, other such investigative organizations approved in writing by the Insurance Commissioner prior to the filing of the Application.

11. Submit a statement generally describing the HMO Applicant and its proposed operations. State whether the HMO Applicant will be organized for profit or not for profit and whether it will be a Staff, Model, IPA Model or Combination Model HMO. Also describe the method of compensation for providers. (i.e. fee-for-service basis, capitated basis, etc.)

12. Submit a statement describing with reasonable certainty the service area or areas to be served by the HMO Applicant upon the issuance of the certificate of authority. "Service area" means the county or counties approved by the Commissioner within which the HMO organization may provide or arrange for health care services to be available for its subscribers.

13. Submit a detailed description of the HMO Applicant's subscriber grievance procedure. The HMO Applicant must demonstrate that its grievance procedure will provide adequate and reasonable procedures for the expeditious resolution of written grievances initiated by enrollees concerning any matter relating to any provisions of the organization's health maintenance contracts, including, but not limited to, claims regarding the scope of coverage for health care services, denials, cancellations or nonrenewals of enrollee coverage; observance of an enrollee's rights as a patient; and the quality of health care services rendered. The grievance procedure must include both formal and informal steps for resolving grievances and must meet all the requirements set forth in Chapter 33, Article 25A, Section 12 of the West Virginia Code.

III. MARKETING AND ADVERTISING

14. Describe the marketing strategy for each major category of enrollment (i.e., group, individual, PEIA, Medicare, Medicaid) including the following:

    (a) Criteria for selection of primary and secondary targets;

    (b) Use of underwriting guidelines;

    (c) Plans for community education and public relations.

15. Submit a detailed marketing budget which reflects the program objective stated in the strategy discussion. The marketing budget must be provided for a minimum of three years and/or the statutory accounting breakeven point, which ever is later. Include such items as compensation, local and out-of-town travel, equipment, printing and postage, advertising and public relations, expense accounts, meeting costs, and publications if applicable.

IV. INSURANCE

16. State how the HMO Applicant limits or proposes to limit its financial risk. If the HMO Applicant secures reinsurance coverage, submit executed copies of the applicable policy or policies. Also submit each reinsurance agreement and all modification(s).

17. Describe any risk sharing with provider(s) or other parties. Reference the applicable sections of each relevant provider contract which demonstrates the sharing of risk between the HMO Applicant and provider(s) or other parties.

18. Complete the enclosed "FIDELITY BOND WORKSHEET" (Form HMO-FID-1) obtain a fidelity bond in the amount prescribed by the worksheet. Enclose copies of each such fidelity bond. All officers and employees must be appropriately bonded whose duties and responsibilities require the carrying of such coverage. See West Virginia Code §33-25A-7.

19. Describe those arrangements which will guarantee the continuation of benefits and payments to providers of services rendered both prior to and after insolvency for the duration of the contract period for which payments have been made.

V. FEASIBILITY STUDY

20. The HMO Applicant must submit a comprehensive feasibility study, performed by a qualified independent actuary in conjunction with a certified public accountant which shall contain a certification by the qualified actuary and an opinion by the certified public accountant as to the feasibility of the proposed organization. The study must comply with the requirements prescribed by West Virginia Code §33-25A-3(4)(m).

Note: A separate copy of the comprehensive feasibility study must be forwarded to the Rates and Forms Division at the following address:

West Virginia Insurance Commission
Rates and Forms Division
2019 Washington Street East
P.O. Box 50540
Charleston, WV 25305-0540

Note: This feasibility study will be used only for informational purposes by the Rates and Forms Division. It will not be considered your official filing of your rates and forms.

VI. FINANCIAL

21. The HMO Applicant must demonstrate that it will have adequate funding to continually meet the minimum capital and surplus requirements as required by West Virginia Code §33-25A-4(2)(c)(ii). Provide clear documentation as to the source of funding.

22. Provide monthly pro-forma financial statements, which shall include balance sheet, income statement and cash flow analysis, with an annual total, through breakeven. (minimum of 3 years/Statutory Accounting Principle Basis).

    Note: You must document your assumptions and how you arrive at your projections, on a line by line basis. Provide clear documentation as to the source and nature of all income, expense and capital items.

23. A statement of the proposed initial cash and cash reserves summary. This should be all inclusive (loan receipts, loan repayments, stock sales, etc.). Also describe the sources and terms of the funding.

    Note: Provide in the documentation independently certified audited financial statements of: guarantors (including medical group(s), individual practice association(s), and parent/sister organization guarantors).

24. Describe the method(s) in which the HMO Applicant will comply with the insolvency protection requirements of West Virginia Code §33-25A-4(2)(c)(iii), including all relevant documentation necessary to comply with the requirements.

25. A statement declaring all investments have been valued for asset purposes on a basis currently approved by the National Association of Insurance Commissioners (NAIC). If any investments have been valued for asset purposes on any basis other than a basis currently approved by the NAIC, please describe each item so valued and the basis of value indicated on the "Asset Page" of the balance sheet.

VII. ENROLLMENT

26. Describe the following assumptions underlying enrollment projections:

(a) A projection of enrollment. Use as many years as required in the financial section of this application;

(b) Number of eligible persons residing within the service area;

(c) Contract size assumptions (contract distribution and content);

(d) Penetration assumptions and rationale, including initial and re-enrollments;

(e) Allowance for Voluntary/Involuntary disenrollment and group contract additions during the year

(f) Date of breakeven (month, year) and enrollment; and

(g) A plan outlining the provisions made for emergency and out-of-area health care.

VII. COMPETITION

27. Identify competitor HMO(s) operating in the same geographic service area.

28. Identify the major differences between the HMO Applicant and the competitors identified in question number 27.

VIII. CONTRACTUAL

29. Submit copies of all health maintenance contracts, member handbooks the HMO Applicant proposes to offer its subscribers, showing the benefits to which they are entitled and any riders and endorsements.

30. Submit a copy of each type of provider contract utilized by the HMO Applicant. The proper hold harmless language must be in each contract.

Note: All provider contracts must comply with all the requirements of Chapter 33, Article 25A, Section 7a of the West Virginia Code.

31. Submit a list of all physicians, hospitals and other providers with whom the HMO Applicant has contracted for services. The list must be sorted by county, by specialty, and be in alphabetical order.

32. The corresponding signature pages from each executed provider contract must also be sorted by county, by specialty and be in alphabetical order.

IX. MISCELLANEOUS

33. Submit a description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy and operation of the HMO Applicant as required under Chapter 33, Article 25A, Section 6, Subsection 2 of the West Virginia Code.

34. Submit a notarized acknowledgment that a delinquency proceeding pursuant to Chapter 33, Article 10 of the West Virginia Code or supervision by the Insurance Commissioner pursuant to Chapter 33, Article 34 of the West Virginia Code, constitute the sole and exclusive method for the liquidation, rehabilitation, reorganization, or conservation of the HMO.

35. Submit a notarized acknowledgement by the HMO Applicant waiving any right to file or be subject to as a debtor in any federal bankruptcy proceeding.

36. Submit a notarized statement by the chief executive officer of the HMO Applicant acknowledging that he/she has read and understands his/her obligations under Article 35, Chapter 33 of the West Virginia Code. This article imposes criminal sanctions for the failure to report an impairment to the Insurance Commissioner of the health maintenance organization.

    Note: The chief executive officer of the HMO Applicant may complete and submit the attached "ACKNOWLEDGMENT AND WAIVER CHIEF EXECUTIVE OFFICER ON BEHALF OF HMO APPLICANT" form to comply with the requirements of Paragraphs 34, 35, and 36.

37. Complete the enclosed "RESIDENT AGENT" Form (IC-FC30). This form is an acknowledgement by the HMO Applicant that once licensed it will observe the Resident Agent's Law of West Virginia, including countersignature requirements, pursuant to Chapter 33, Article 12 of the West Virginia Code.

38. Submit a detailed description of the arrangements made by the HMO Applicant for the ongoing evaluation of the quality of health care once it is licensed.

39. Submit a detailed description of the HMO Applicant's procedure to develop, compile, evaluate and report statistics relating to the cost of its operations, the availability and accessibility of its services, the pattern of utilization of its services and the quality of health care.

40. Prior to receiving a Certificate of Authority, the HMO Applicant will be contacted by this Division to initiate the depositing of cash or government securities with West Virginia State Treasurers Office in compliance with West Virginia Code §33-25A-4(2)(h).

CERTIFICATION

I HEREBY CERTIFY, under penalty of perjury, that the foregoing answers, statements, and information are true and correct.

I, the undersigned applicant, under penalty of perjury, do declare that I have carefully examined each of the questions asked in this HEALTH MAINTENANCE ORGANIZATION APPLICATION and each of my responses thereto, and do solemnly swear or affirm that all of my responses, information, exhibits, and documentary evidence submitted in support thereof are true and correct.

_____
(Typed Name)

_____
(Signature)

_____
(Date)

State of _____

County of _____

BEFORE ME this day personally appeared _____
(Typed name of Applicant)
who, being duly sworn, deposes and says that he/she executed the above HEALTH MAINTENANCE ORGANIZATION APPLICATION and that the answers, statements, and information contained in this statement are true and correct.

Sworn to and subscribed before me this _____ day of _____ 19___.

My commission expires: _____

(Notary Seal) _____
Notary Public

HMOAPP Rev. 5/95

STATE OF WEST VIRGINIA
INSURANCE COMMISSIONER

HEALTH MAINTENANCE ORGANIZATION
BIOGRAPHICAL STATEMENT AND AFFIDAVIT
WEST VIRGINIA CODE §33-25A-3(4)(l)

DEFINITIONS AND INSTRUCTIONS

For the purposes of this statement and affidavit only, the term "entity regulated by this Agency" includes all "insurers/companies". Also, Health Maintenance Organization may be referred to as HMO.

All questions on this form should be answered fully by each officer, each director and each person holding five percent or more of the common stock of the organization pursuant to West Virginia Code §33-25A-3(4)(l). If a question is not applicable please put "Not Applicable" or "N/A". If more space is needed, please attach additional sheets. Please print or type all answers.

QUESTIONS

1. (a) Full Name_____(b) Maiden Name_____
   (c) Date of Birth_____(d) Place of Birth _____
   (e) Social Security Number _____
   (f) Occupation or Profession _____

2. Full name and address of the present or proposed entity under which this biographical statement is being required.
   _____
   _____
   _____
   _____

3. Type of HMO entity (i.e. Staff, Individual Practice Association, Combined, etc.):
   _____

4. Your current or proposed position with the present or proposed entity.
   _____

5. List your residence for the last ten (10) years starting with your current address and going backward, giving:

Dates	Address	City, County, State	Telephone

6. Education. Please list the most recent education first.

College/University	Dates Attended	Degree Obtained

Other Training _____

7. Business and employment record for past (ten) 10 years. Please list the most recent first, Include all director and officer positions held.

Dates	Employer's Name	Address & Telephone	Offices/Positions Held

May present employer be contacted? Yes ☐ No ☐

8. List other current business activities: _____

9. (a) Have you or your spouse ever been affiliated or associated with or in any way connected with an insurance entity regulated by the Insurance Commissioner of West Virginia

Yes ☐ No ☐

(b) If "Yes", please list all such entities _____

10. (a) Do you or members of your immediate family have or will have an ownership interest of any kind in the present or proposed entity?

Yes ☐ No ☐

(b) If "Yes", list all such ownership interests and give full details. If the ownership interest is pledged or hypothecated in any way, give full details.

_____

_____

11. (a) Have you ever used an alias or a different name? Yes ☐ No ☐

(b) If "yes", list all other names used and give full explanation and supporting documentation.

_____

12. (a) Have you ever been bonded? Yes ☐ No ☐

(b) If "Yes":

1. Were any claims ever made or attempted to be made against your bond?

Yes ☐ No ☐

2. Has your bond ever been cancelled or revoked?

Yes ☐ No ☐

3. Has your application for bond been declined?

Yes ☐ No ☐

4. If the response to 1, 2, or 3 is "Yes", please provide reasons.

_____

_____

13. (a) Have you ever been licensed as an insurance agent, broker, solicitor, adjuster, or claims investigator in West Virginia or any other state?

Yes ☐ No ☐

(b) If "Yes":

1. State(s)_____

2. Dates license(s) held_____

3. License number(s)_____

4. Name of issuer of license(s)_____

14. (a) Have you ever been licensed to sell securities? Yes ☐ No ☐

(b) If "Yes":

1. By whom (state[s] and/or federal)_____

2. Dates license(s) held _____

3. License number(s)_____

4. Name of issuer of license(s)_____

15. (a) Have you ever been licensed to practice medicine or dentistry?

Yes ☐ No ☐

(b) If "Yes":

1. State(s)_____

2. Dates license(s) held _____

3. License number(s)_____

4. Name of issuer of license(s)_____

16. List any other occupational, professional, or vocational licenses you have ever held and identify the state(s), the dates license(s) held, and the license number(s):

_____

17. List any entities regulated by the Insurance Commissioner of West Virginia in which you control directly or indirectly or own legally or beneficially five (5) percent or more of the outstanding stock (in voting power).

_____

If any of the stock is pledged or hypothecated in any way, give details.

_____

18. List memberships in professional societies and associations.

_____

19. Are you a citizen of any country other than the United States?

Yes ☐ No ☐

If Yes, what country?_____

20. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public, administrative, or governmental licensing agency?

Yes ☐ No ☐

b. Had any occupational, professional, or vocational license or permit you hold, or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?

Yes ☐ No ☐

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action?

Yes ☐ No ☐

d. Been charged with, or indicated for, any criminal offense(s) other than minor traffic offenses?

Yes ☐ No ☐

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than minor traffic offenses?

Yes ☐ No ☐

f. Had adjudication of guild withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than minor traffic offenses?

Yes ☐ No ☐

g. Been subject to any federal bankruptcy proceeding, state insolvency, supervision, receivership, rehabilitation, liquidation, or conservatorship proceeding, or any other similar proceeding?

Yes ☐ No ☐

h. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal or state law regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking?

Yes ☐ No ☐

i. Been, within the last ten (10) years, a party to any civil action other than for minor traffic offenses?

Yes ☐ No ☐

j. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government?

Yes ☐ No ☐

If the response to any question above is answered "Yes", please provide full details.

_____

_____

_____

21. (a) For the purpose of this question, if you hold or have held any of the following positions with an entity, please indicate below

1.	Incorporator	Yes	☐	No	☐
2.	Administrator	Yes	☐	No	☐
3.	Organizer	Yes	☐	No	☐
4.	Subscriber of a corporation	Yes	☐	No	☐
5.	Subscriber to a reciprocal agreement of indemnity	Yes	☐	No	☐
6.	Subscriber of a limited reciprocal	Yes	☐	No	☐
7.	Director	Yes	☐	No	☐
8.	Officer	Yes	☐	No	☐
9.	Manager or operator	Yes	☐	No	☐
10.	Trustee	Yes	☐	No	☐

11. Owner, if not a corporation Yes ☐ No ☐

12. Sole proprietor Yes ☐ No ☐

13. Joint venturer Yes ☐ No ☐

14. Partner, including all general and limited partners of a limited partnership Yes ☐ No ☐

15. Stockholder owning or holding five (5) percent or more of the outstanding stock of a stock corporation Yes ☐ No ☐

16. Member of a non-stock corporation Yes ☐ No ☐

17. Person associated or to be associated with the formation or financing of an underwriting member on an Insurance Exchange in any state or country Yes ☐ No ☐

18. Attorney in fact for a reciprocal insurer/company or a limited reciprocal insurer/company, if the attorney in fact is an individual Yes ☐ No ☐

19. Any position listed in this subparagraph (a) held in an incorporated or unincorporated association Yes ☐ No ☐

20. Any position listed in this subparagraph (a) held in an incorporated or unincorporated association Yes ☐ No ☐

21. Any other position w here the person filling the position performs any duties similar to those duties performed by persons in the above mentioned positions Yes ☐ No ☐

(b) Has any entity while you were associated with that entity or within twelve (12) months after you left:

1. Been refused a permit, license, or certificate of authority by any regulatory authority, or governmental licensing agency?

Yes ☐ No ☐

2. Had its permit, license, or certificate of authority suspended, revoked, cancelled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action?

Yes ☐ No ☐

3. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any judicial, administrative, regulatory, or disciplinary action?

Yes ☐ No ☐

4. Been charged with, or indicted for, any criminal offense?

Yes ☐ No ☐

5. Pled guilty to, or nolo contendere to, or been convicted of any criminal offense?

Yes ☐ No ☐

6. Had an adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation for any criminal offense?

Yes ☐ No ☐

7. Been insolvent or impaired?

Yes ☐ No ☐

8. Been subject to any federal bankruptcy proceeding, state insolvency, supervision, receivership rehabilitation, liquidation, or conservatorship proceeding, or any other similar proceeding?

Yes ☐ No ☐

9. Been enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action from violating any federal or state law regulating the business of insurance, securities, or banking, or from carrying out any particular practice or practices in the course of business insurance, securities, or banking?

Yes ☐ No ☐

10. Been within the last ten (10) years a party to any civil action?

Yes ☐ No ☐

(c) If the response to any question above is answered "Yes", please provide full details below:

_____

_____

_____

_____

CERTIFICATION

I HEREBY CERTIFY, under penalty of perjury, that the foregoing answers, statements, and information are true and correct.

I, the undersigned affiant, under penalty of perjury, do declare that I have carefully examined each of the questions asked in this BIOGRAPHICAL STATEMENT AND AFFIDAVIT and each of my responses thereto, and do solemnly swear or affirm that all of my responses, information, exhibits, and documentary evidence submitted in support thereof are true and correct.

_____
(Typed Name)

_____
(Signature)

_____
(Date)

State of _____

County of _____

BEFORE ME this day personally appeared _____
(Typed name of Affiant)
who, being duly sworn, deposes and says that he/she executed the above BIOGRAPHICAL STATEMENT AND AFFIDAVIT and that the answers, statements, and information contained in this statement are true and correct.

Sworn to and subscribed before me this ____ day of _____ 19__.

My commission expires: _____

(Notary Seal)

_____
Notary Public

HMOBIO - 1 Rev. 5/95

STATE OF WEST VIRGINIA
INSURANCE COMMISSIONER

MINIMUM AMOUNTS OF FIDELITY INSURANCE

§33-25A

Exposure Index			Bracket No.*	Amount of Bond		
$ 1,000	-	$ 25,000	1	$ 15,000	-	$ 25,000
25,000	-	125,000	2	25,000	-	50,000
125,000	-	250,000	3	50,000	-	75,000
250,000	-	500,000	4	75,000	-	100,000
500,000	-	750,000	5	100,000	-	125,000
750,000	-	1,000,000	6	125,000	-	150,000
1,000,000	-	1,375,000	7	150,000	-	175,000
1,375,000	-	1,750,000	8	175,000	-	200,000
1,750,000	-	2,125,000	9	200,000	-	225,000
2,125,000	-	2,500,000	10	225,000	-	250,000
2,500,000	-	3,325,000	11	250,000	-	300,000
3,325,000	-	4,175,000	12	300,000	-	350,000
4,175,000	-	5,000,000	13	350,000	-	400,000
5,000,000	-	6,075,000	14	400,000	-	450,000
6,075,000	-	7,150,000	15	450,000	-	500,000
7,150,000	-	9,275,000	16	500,000	-	600,000
9,275,000	-	11,425,000	17	600,000	-	700,000
11,425,000	-	15,000,000	18	700,000	-	800,000
15,000,000	-	20,000,000	19	800,000	-	900,000
20,000,000	-	25,000,000	20	900,000	-	1,000,000
25,000,000	-	50,000,000	21	1,000,000	-	1,250,000
50,000,000	-	87,500,000	22	1,250,000	-	1,500,000
87,500,000	-	125,000,000	23	1,500,000	-	1,750,000
125,000,000	-	187,500,000	24	1,750,000	-	2,000,000
187,500,000	-	250,000,000	25	2,000,000	-	2,250,000
250,000,000	-	333,325,000	26	2,250,000	-	2,500,000
333,325,000	-	500,000,000	27	2,500,000	-	3,000,000
500,000,000	-	750,000,000	28	3,300,000	-	3,500,000
750,000,000	-	1,000,000,000	29	3,500,000	-	4,000,000
1,000,000,000	-	1,250,000,000	30	4,000,000	-	4,500,000
1,250,000,000	-	1,500,000,000	31	4,500,000	-	5,000,000

Calculation of Bond Amount

1. Total Admitted Assets
   $_____ X 5% = $_____

2. Gross Income*
   $_____ X 10% = $_____

   Exposure Index = $_____

3. Minimum Amount of Bond
   Bracket No._____$_____

* Include gross premium written and assumed plus interest and dividend income.

FORM: AMO-F10-1

ACKNOWLEDGEMENT AND WAIVER BY CHIEF EXECUTIVE OFFICER ON BEHALF OF HEALTH MAINTENANCE ORGANIZATION APPLICANT

I, _____, the _____ [Chief Executive Officer] of _____ [HMO Applicant], hereinafter referred to as the "Organization", having the authority to bind said Organization, do hereby:

(1) ACKNOWLEDGE, on behalf of the Organization, that a delinquency proceeding brought pursuant to the provisions of Article 10, Chapter 33 of the West Virginia Code of 1931, as amended [W. Va. Code §§ 33-10-1 *et seq.*], or the administrative supervision provisions of article thirty-four of said chapter [W. Va. Code §§ 33-34-1 *et seq.*] constitutes the sole and exclusive method for the liquidation, rehabilitation, reorganization or conservation of a health maintenance organization licensed under the laws of this State; and

(2) WAIVE, on behalf of the Organization, any right to file or to be subject as a debtor to any bankruptcy proceedings;

(3) AFFIRM that I have read and do hereby understand the obligation imposed upon me as the chief executive officer of the Organization by the provisions of Article thirty-five of Chapter 33 of said Code [W. Va. Code §§ 33-35-1 *et seq.*] dealing with the criminal sanctions for the failure to timely report to the Insurance Commissioner an impairment of the Organization.

Dated this _____ day of _____, 199__.

_____
(HMO Applicant)

BY: _____
(Signature)

ITS: _____
(Title)

State of _____,
County of _____, to wit:

I, _____, a Notary Public in and for the county and state aforesaid, hereby certify that _____ whose name is signed to the foregoing document, bearing date the _____ day of _____, 199__, for _____ (HMO Applicant), has this day in said county, personally appeared before me in said county and acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this _____ day of _____, 199__.

My commission expires on _____.

(SEAL) _____
Notary Public

STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Financial Conditions Division

GASTON CAPERTON
Governor

HANLEY C. CLARK
Insurance Commissioner

RESIDENT AGENT

I, _____, a duly elected, qualified officer
(Name of Person, Please Print)
of the _____ do hereby certify that if the captioned
(Name of Company, Please Print)
company is successful in acquiring an insurance license in the State of West Virginia, it agrees to observe the requirements for a licensed resident agent, including those related to countersignature requirements, as provided for in Article 12, Chapter 33 of the West Virginia Insurance Code.

Subsequent to Company licensing, the Insurance Department will issue instructions as to the procedure for the licensing of agents.

Dated this _____day of _____, 19____.
(Month)

_____
(Signature)

_____
(Title of Officer or Director, Please Print)

IC-FC30

2019 Washington Street, East
P.O. Box 50540
Charleston, West Virginia 25305-0540

"We are an Equal Opportunity Employer"

Telephone (304) 558-2100
Facsimile (304) 558-0412

STATE OF WEST VIRGINIA
INSURANCE COMMISSIONER

HEALTH MAINTENANCE ORGANIZATION
APPLICATION FOR A CERTIFICATE OF AUTHORITY
FILING FEE REMITTANCE FORM

West Virginia Code §33-25A-22

NAME OF HEALTH MAINTENANCE ORGANIZATION: _____

_____

FEIN# _____

ADDRESS: _____

CITY, STATE & ZIP CODE: _____

PHONE NUMBER: _____

In reference to the submission of the above-referenced application to do business as a health maintenance orgainization in the State of West Virginia, it is necessary for this form to be returned to the address below with proper payment.

PLEASE NOTE:

1. Send a check in the amount of Two Hundred Dollars ($200.00), made payable to the West Virginia Insurance Commissioner. **Mail check and invoice to:**

   West Virginia Insurance Commissioner
   Financial Conditions Division
   2019 Washington Street, East
   P. O. Box 50540
   Charleston, West Virginia 25305-0540

2. Include a copy of the check with the courtesy copy of your application to be forwarded to the West Virginia Health Care Cost Review Authority.

OFFICE USE ONLY
FF_____
_____ (INITIALED)

HMO-COAREMIT-1 Rev. 5/95

STATE OF WEST VIRGINIA
INSURANCE COMMISSIONER

HEALTH MAINTENANCE ORGANIZATION
APPLICATION FOR AMENDMENT TO CERTIFICATE OF AUTHORITY
FILING FEE REMITTANCE FORM

West Virginia Code §33-25A-22

NAME OF HEALTH MAINTENANCE ORGANIZATION: _____

_____

WEST VIRGINIA FILE NUMBER: _____

FEIN# _____

ADDRESS: _____

CITY, STATE & ZIP CODE: _____

CONTACT PERSON: _____

PHONE NUMBER: _____

In reference to the submission of the above-referenced application for amendment to your existing Health Maintenance Organization Certificate of Authority in the State of West Virginia, it is necessary for this form to be returned to the address below with proper payment.

PLEASE NOTE:

1. Send a check in the amount of Two Hundred Dollars ($200.00), made payable to the West Virginia Insurance Commissioner. **Mail application for amendment to the Health Maintenance Organization Certificate of Authority, check and remittance form to:**

   West Virginia Insurance Commissioner
   Financial Conditions Division
   2019 Washington Street, East
   P. O. Box 50540
   Charleston, West Virginia 25305-0540

2. Include a copy of the check with the courtesy copy of your application for amendment to be forwarded to the West Virginia Health Care Cost Review Authority.

OFFICE USE ONLY
FF_____
_____ (INITIALED)

HMO-COAAMEND-1 Rev. 5/95

STATE OF WEST VIRGINIA
INSURANCE COMMISSION

HEALTH MAINTENANCE ORGANIZATION
COUNTY ENROLLMENT WORKSHEET
Chapter 33, Article 25A of the West Virginia Code

Company Name:_____ **For Year Ending:**_____

County of:	Number of Primary Care Providers In County:	Percentage of Market Penetration: (Number of Enrollees/Population of County)	Number of Enrollees enrolled during the period:	Number of enrollees terminated by the end of the period:	Number of enrollees at the end of the period:
Barbour Berkeley Boone Braxton Brooke Cabell Calhoun Clay Doddridge Fayette Gilmer Grant Greenbrier Hampshire Hancock Hardy Harrison Jackson Jefferson Kanawha Lewis Lincoln Logan Marion					

County of:	Number of Primary Care Providers In County:	Percentage of Market Penetration: (Number of Enrollees/Population of County)	Number of Enrollees enrolled during the period:	Number of enrollees terminated by the end of the period:	Number of enrollees at the end of the period:
Marshall Mason McDowell Mercer Mineral Mingo Monongalia Monroe Morgan Nicholas Ohio Pendleton Pleasants Pocahontas Preston Putnam Raleigh Randolph Ritchie Roane Summers Taylor Tucker Tyler Upshur Wayne Webster Wetzel Wirt Wood Wyoming Other* (enrollees not included above, give details)					
Total					

HMO GRIEVANCE REPORT FOR THE YEAR _____

HMO NAME: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

TELEPHONE: _____

RESPONSIBLE OFFICER: _____

SIGNATURE: _____

DATE: _____

DESCRIBE THE HMO'S GRIEVANCE PROCEDURE: _____

_____

_____

_____

_____

_____

(Use additional sheets as necessary)

INFORMAL COMPLAINTS/GRIEVANCES RECEIVED

(A) Total number of informal grievances received _____

(B) Disposition of each informal grievance received:

Total Number

____ A1-Resolved in favor of enrollee

____ A2-Resolved against enrollee

____ A3-Compromised

____ A4-Withdrawn

____ A5-Other (Specify)_____ ____ A5-Other (Specify)_____

____ A5-Other (Specify)_____ ____ A5-Other (Specify)_____

____ A5-Other (Specify)_____ ____ A5-Other (Specify)_____

____ A5-Other (Specify)_____ ____ A5-Other (Specify)_____

(Use additional sheets as necessary)

(C) Number of informal grievances referred to formal grievance status _____

HMO GRIEVANCE REPORT FOR THE YEAR _____

PAGE 2

HMO NAME: _____

FORMAL GRIEVANCE RECEIVED

(A) Total Number of formal grievances received _____

(B) Underlying cause of grievance:

Total Number

____ B1-Coverage

____ B2-Medical Necessity

____ B3-Timeliness of Payment

____ B4-Out of Service Area Care

____ B5-Other (Specify)_____ ____ B5-Other (Specify)_____

____ B5-Other (Specify)_____ ____ B5-Other (Specify)_____

____ B5-Other (Specify)_____ ____ B5-Other (Specify)_____

____ B5-Other (Specify)_____ ____ B5-Other (Specify)_____

(Use additional sheets as necessary)

(C) Final Disposition:

Total Number

____ C1-Resolved in favor of enrollee

____ C2-Resolved against enrollee

____ C3-Compromised

____ C4-Withdrawn

____ C5-Other (Specify)_____ ____ C-5-Other (Specify)_____

____ C5-Other (Specify)_____ ____ C-5-Other (Specify)_____

____ C5-Other (Specify)_____ ____ C-5-Other (Specify)_____

____ C5-Other (Specify)_____ ____ C-5-Other (Specify)_____

(Use additional sheets as necessary)

(D) Number of grievances to reach each level in the procedure _____

_____

_____

NOTICE: In accordance with W. Va. Code § 33-25A-12(2)(k), an HMO must maintain a complete and detailed record of all grievances filed with the HMO for a period of three years.

SUBSCRIBER VERIFICATION FORM

HMO NAME: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

TELEPHONE NUMBER: _____

SUBSCRIBER NAME: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

TELEPHONE NUMBER: _____

1. Do you, as a subscriber, intend and desire to join/enroll in the above referenced HMO? ____Yes ____No

2. Are you presently a Medicare or Medicaid recipient? ____Yes ____No

   a. If so, do you understand that by joining this HMO plan you will be limited to the benefits provided by the HMO? ____Yes _____NO

   b. Do you understand that Medicare or Medicaid will pay the HMO for the subscriber coverage? ____ Yes ____No

4. Do you understand that you are restricted to what providers you may use? ____ Yes ____No

5. Do you understand that you must secure approval from the HMO before you use a health care provider outside the plan? ____Yes ____No

6. If you are currently a member of an HMO plan, do you understand that you are being transferred to another HMO plan? ____ Yes ____No

_____

SUBSCRIBER SIGNATURE DATE

_____

VERIFIER SIGNATURE POSITION
(HMO Non-marketing employee)

SUBSCRIBER'S CONFIRMATION FORM

HMO NAME: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

TELEPHONE NUMBER: _____

SUBSCRIBER'S NAME: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

TELEPHONE NUMBER: _____

DATE: _____

This is to confirm that:

- You have received all application materials.
- The HMO plan has been explained to you and that you understand the plan.
- You desire and intend to enroll in the HMO plan.
- You are transferring your existing medical coverage to the HMO plan.
- You have received printed material explaining the nature of the HMO.
- You understand any and all applicable restrictions and exclusions.
- That the enrollment process is complete seven days after the HMO mails this confirmation notice.
- Your enrollment date is _____.
- Your benefits begin on _____.

STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON
Governor

HANLEY C. CLARK
Insurance Commissioner

June 28, 1995

HAND DELIVERED

Ms. Judy Cooper, Director
Administrative Law Division
Office of Secretary of State
State Capitol
Charleston, WV 25305

Dear Ms. Cooper:

Enclosed please find for filing one copy of the following:

(1) Notice of A Comment Period on a Proposed Rule;

(2) Consent of Tax and Revenue Cabinet Secretary to Proposed Rule;

(3) Brief Summary of Rule;

(4) Statement of Circumstances;

(5) Fiscal Note;

(6) The proposed rule entitled "Filing Proceures for Health Maintenance Organizations" (Series 46).

Please contact me if further information is required.

Sincerely,

Ellen R. Archibald
Associate Counsel

ERA/cjs
Enclosures

FILED
JUN 28 4 12 PM '95
OFFICE OF WEST VIRGINIA SECRETARY OF STATE

2019 Washington Street, East
P.O. Box 50540
Charleston, West Virginia 25305-0540

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Facsimile (304) 558-0412