



**SERVICE AREA EXPANSION CHECKLIST  
HEALTH MAINTENANCE ORGANIZATIONS**

Note: Filing requirements are based on 28 TAC §§ 11.301 and 11.302. Please refer to these sections of the Texas Administrative Code for detailed descriptions and formats of required documents.

Please note that a unique form number must appear in the lower left corner of the first page of each document. Subsequent pages should have page numbers. Documents already on file that are being revised or replaced must have a new form number. A transmittal letter must be included with the filing.

**Five (5) copies of the filing are required to be submitted. The original copy should bear original signatures.**

**FILING FEES, IF ANY, ARE INDICATED BY DOCUMENTS REQUIRING A FEE.**

**If any of the following items are changed by a service area expansion request, the new item or any amendments to an existing item must be submitted for approval or filed for information, as specified in 28 TAC §11.302.**

1. **Service Area Map – Filing for Approval Fee--\$100.00** - A description and map of the service area, with key and scale, must identify the county or counties to be served and show both the currently approved service area and the proposed new service area. For partial counties, a Zip Code listing is also required. Please include a written list of the counties to be served.
2. **New or Amended Contracts - Filing Fee applies to Provider Contracts ONLY and is \$50.00 per provider contract** - New or amendments to provider contracts, administrative service agreements, reinsurance agreements, management agreements, and any other contracts must be submitted.
3. **List of Physicians, Hospitals and/or other Providers – Informational Filing Fee--\$50.00** - Provide a list of all physicians, hospitals and/or other providers to be used to provide service in the proposed new area including:
  - (a) Physicians - Include medical specialty, board certification, if any, Texas license number, business address and any hospitals at which primary physicians have staff privileges. Also indicate whether or not primary physicians are accepting new patients.
  - (b) Hospitals - Include address, license number, JCAHO/AOA accreditation status, if applicable, Medicare Certification number, number of beds and current occupancy rate.
  - (c) Other Providers - Include address and license or certification, if applicable.
4. **Administrative Arrangements and Organizational Charts – Informational Filing Fee--\$50.00** - Provide a brief narrative description of any administrative relationships as well as organizational charts and other pertinent information. Include name and telephone number of contact persons.
5. **Transactions With Affiliates – Filing fee for approval--\$100.00** - Report any affiliate transactions relating to the purchase, construction, or renovation of hospitals, medical facilities, administrative offices or any property, which represents more than ½ of 1.0% of admitted assets. Also report any transactions involving lease, operation or maintenance of any aforementioned facilities or property from or by an affiliate if monthly costs exceed ½ of 1.0% of monthly expenses or if such agreement places a lien on any property owned by the HMO.

6. **Biographical Data – Informational Filing fee--\$50.00** - Provide a biographical data form for any new management, officers and/or directors, including Medical Director, assigned to the new service area.
  7. **Evidence of Coverage- Filing fee for approval is \$100.00 PER PRODUCT** - Any new or amendments to any EOC to be used in the new service area.
  8. **Rates- Informational Filing fee--\$50.00** - Submit formula or method of calculating the schedule of charges for any new or amended EOC.
  9. **Lease, Loans and Contracts – Informational Filing fee--\$50.00** - Provide copies of any leases, loans or contracts to be used in the new service area.
  10. **Financial Information – Informational Filing fee--\$50.00** - Submit separate and combined sources of financing and financial projections, including:
    - (a) Current financial statement, including balance sheet, statement of income and expenses, and sources and application of funds.
    - (b) Projected financial statements prepared on a quarterly basis for the 24-month period from the start of operations. Identity and credentials of person preparing projections must be provided.
    - (c) Most recent audited financial statements of sponsoring organization if any.
  11. **Amended Fidelity Bond – Informational Filing fee--\$50.00** - Submit amendments to any fidelity bond covering officers and/or employees.
  12. **Complaint Procedure – Filing for Approval fee--\$100.00** - Describe method by which the complaint procedure will be made reasonably available to the new service area, including a toll free number.
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**DUE TO 30-DAY DEEMER OF THIS FILING, APPLICANT HMO WILL BE NOTIFIED WHETHER FILING IS COMPLETE BY 10TH DAY OF RECEIPT OF FILING. IF INCOMPLETE, APPLICANT WILL BE NOTIFIED OF ANY DEFICIENCIES BY 15TH DAY OF RECEIPT. RESPONSE TO DEFICIENCIES MUST BE SUBMITTED TO TDI ON OR BEFORE THE 20TH DAY OF RECEIPT. BE AWARE THAT A 30-DAY EXTENSION MAY BE REQUESTED BY TDI STAFF IF ADDITIONAL REVIEW TIME IS NEEDED.**

**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 & REGISTRATION DIVISION, MC 305-2C, P. O. BOX 149104, AUSTIN, TX 78714-9104. FOR QUESTIONS OR MORE INFORMATION, CALL (512) 322-4370.**

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.

## INTERNAL USE ONLY

1. When Service Area Expansion request is received, Company Licensing & Registration retains 1 copy and distributes 3 copies to HMO Unit and 1 copy to Financial Monitoring (“FM”). Use cover memo template ‘hmo\_new.doc’ to transmit copies to other divisions.
2. Completeness of file must be determined within 10 days of receipt. Company Licensing will follow up with HMO and FM before 10th day. If incomplete, deficiency letter(s) must be sent to Applicant HMO by the 15th day. Company Licensing should receive copies of any deficiency letters sent by the other divisions. Response to deficiencies must be received from the applicant HMO by the 20th day so on-site visit can be scheduled.
3. A 30-day extension may be granted at the discretion of TDI if additional time is needed to review the application. If an extension is granted, Company Licensing & Registration should be notified immediately of the extension date. Company Licensing technician will track suspense date on calendar.
4. HMO must notify Company Licensing immediately of the date of the on-site visit. Also, HMO and FM should provide Company Licensing with copies of any correspondence generated throughout the review process.
5. No later than 25 days after the filing was received, Applicant HMO must be advised of approval. HMO and FM must provide Company Licensing with memos or e-mail notes advising that each division has approved the service area expansion. Company Licensing will then prepare Commissioner Order and distribute dated, signed Order to HMO (2 copies), FM and Examinations.
6. Company Licensing will send Commissioners Order to Applicant HMO along with a closure letter and Customer Response Form, complete the Assignment Sheet and give it to the Team Coordinator and code and prepare the charter file.