

Document Help on WC Conference Call

Date: 09.28.06

Page 1 of 4

Present: Charles Reyna, Olga Escobedo, and Marty Coleman represented HWCN Division

TOPIC	DISCUSSION/ACTION	FOLLOW-UP
Antitrust Statement	Charles Reyna read the antitrust plan.	
Network Carrier Contracts	<p data-bbox="768 573 1163 602">Marty Coleman was presenter.</p> <p data-bbox="768 646 1423 784">Network carrier contracts are addressed in Section 1305.154 of the Texas Insurance Code (TIC) and Section 10.41 of the Texas Administrative Code (TAC). I will hit on some of the high points today.</p> <p data-bbox="768 828 1478 1295">An area where we see the most need for information relates to contingency plans required under network carrier contracts in section 10.41(a)(9). Typically what we see here is a regurgitation of what is in the TAC, and that is not sufficient to meet the need. We actually need to see a contingency plan that describes how these functions would be reassumed. To that end, because we get a lot of questions on this portion of the application, on our internet site there is a sample of a contingency plan. If you have questions about what needs to be in a contingency plan, or what one needs to look like, I would direct you to the website where there is a sample.</p> <p data-bbox="768 1339 1478 1442">The second thing I wanted to briefly mention is it is ok for this contract to be a form contract. It does not have to be executed like third party contracts do.</p>	

Document Help on WC Conference Call

Date: 09.28.06

Page 2 of 4

	<p>That being said, and being a very quick and brief overview, I didn't want to regurgitate the TIC or TAC in this brief conference call. But if you have specific questions about network carrier contracts, we would be happy to answer those at this time.</p> <p>Hearing no questions, we will move on to the next topic. Please feel free to ask questions either during the call or at the end.</p>	
<p>Service Area Expansion applications being received by the Department</p>	<p>Olga Escobedo was presenter.</p> <p>I'm going to read a brief hypothetical, not very long.</p> <p>Hypothetical Read to Participants of the Network Applicant Conference Call 9/28/2006</p> <ul style="list-style-type: none">• Company X is a certified Network• Company X has been delegated certain Network functions by other certified Networks; Companies A, B, C; for example, provider contracting• Company X and Companies A, B, and C wish to expand the Network Service Area• Company X files the Service Area Expansion application, provides all the required documentation but informs the Department that the documents that have been filed will also apply to Companies A, B, and C.• Company X asks the Department to copy the documents and place them in the SAE application files being filed by Companies A, B, and C.	

Document Help on WC Conference Call

Date: 09.28.06

Page 3 of 4

We are asking Companies A, B, and C to file the documents on their own behalf. Companies A, B, and C should ask Company X for a copy of the filing Company X sent to the Department and then file the documents with the Department.

We are asking Companies A, B, and C to do this for several reasons:

1. Companies A, B, and C will have their own copy of the documents being filed
2. Companies A, B, and C will know what is being added to their own applications
3. The Department can be reasonable certain that Companies A, B, and C are not sending anything different from Company X, thereby requiring a page-by-page comparison with Company X documents, which in turn will assure a faster review for all the companies.
4. Finally, this method will assure that Company A, B and C's documents are correctly and accurately placed in each perspective file.

Any questions, comments or concerns?

Q: I'm confused. Are you talking about a situation where one company builds a network and another company submits using that network? For providers?

A: Yes.

Q: If they want to stay in the service area of the primary company that created the original group of

Document Help on WC Conference Call

Date: 09.28.06

Page 4 of 4

	<p>providers, both companies need to submit the same information?</p> <p>A: Yes. Each company should file its own documentation; get a copy from Company X (the company that files the original information) and then in turn file it with the Department.</p> <p>Q: But if both companies don't – for example if one wants to expand the service area but the other one doesn't want to expand the service area.</p> <p>A: If you don't submit a service area expansion application, it is a mute point.</p> <p>Q: But yours would stay the same size, and the other company's would be bigger.</p> <p>A: Yes. Because each company has to send in its own application. So if we don't get an application from Company C, for instance, we are not going to be creating a file for Company C.</p> <p>Any other questions? Thank you very much.</p>	
Open Discussion	<p>We will now open the floor for general questions on other topics not on the agenda, or other comments. Are there any?</p> <p>Hearing no questions or comments, we will adjourn today's call. Please keep your eyes on the website for the next agenda for next week's conference call. Thank you for attending. Good afternoon.</p>	