

NOVEMBER 1998

WEST VIRGINIA INFORMATIONAL LETTER

NO. 112

**TO: ALL HEALTH MAINTENANCE ORGANIZATIONS LICENSED
SEEKING RENEWAL OF CERTIFICATES OF AUTHORITY**

**RE: HEALTH MAINTENANCE ORGANIZATION RENEWAL
APPLICATION CHECKLIST**

West Virginia Code § 33-25A-3A(3) provides that effective June 7, 1996, all certificates of authority issued to health maintenance organizations expire at midnight on May 31 of each year. To assist in the 1999 renewal process this Office has developed the enclosed "Health Maintenance Organization Renewal Application Checklist."

This form, along with all requested information and documentation, must be completed and submitted to the Commissioner for renewal of a certificate of authority on or before the first day of February. This renewal application filing date allows a full one hundred twenty day review period granted the Commissioner by W. Va. Code § 33-25A-4(2). Renewal applications will not be considered completed until all required information and documentation are received.

In the application process for a renewal of a certificate of authority, health maintenance organizations may describe relevant or reference documents previously filed with this Department. Incomplete items or items not previously filed should accompany the renewal application. Additionally, if any of the original organizational documents have been modified, copies of the Commissioners approval of all such changes should be filed. Please note that the certificate of authority renewal process is not a substitute for, or in lieu of, holding company filings or major modification filings.

The Insurance Commissioner has developed a "create your own region" concept. The concept does not change the process by which the HMOs receive their Certificate of Authority. It does however, allow the HMOs to request service area expansion(s) by "larger" regions or augment their existing authority with contiguous counties. The counties requested, in either case, are not required to have a complete "integrated" network and may rely upon the contiguous counties for network support.

The following is the conceptual change in distance and travel times utilized in granting the Certificate of Authority:

ORIGINAL STANDARDS

	Urban	Rural
Primary Care Physician	25 miles 30 minutes	45 miles 60 minutes
Pediatrician	25 miles 30 minutes	45 miles 60 minutes
Obstetrics/Gynecology	25 miles 30 minutes	45 miles 60 minutes
Specialist	25 miles 30 minutes	45 miles 60 minutes
Hospital	25 miles 30 minutes	45 miles 60 minutes

REVISED STANDARDS*

	Urban	Rural
Primary Care Physician	30 miles 45 minutes	45 miles 60 minutes
Pediatrician	30 miles 45 minutes	60 miles 90 minutes
Obstetrics/Gynecology	30 miles 45 minutes	60 miles 90 minutes
Specialist	30 miles 45 minutes	60 miles 90 minutes
Hospital	30 miles 45 minutes	60 miles 90 minutes

* The Commissioner may grant an exception to the revised standards, if the HMO can demonstrate with specific data that the distance and travel time requirements are not feasible in a particular service area.

The provider to enrollee ratios for a new county/region service area will continue to be:

PCP	1 to 120
OBG	1 to 240
PEDS	1 to 360
Specialists	1 to 2,000

Once an HMO is established in a particular county/region, the revised provider to enrollee ratios may go as high as the following:**

PCPs	1 to 2,500
OBGs	1 to 5,000
PEDs	1 to 7,500
Specialists	1 to 8,000

- ** The Commissioner may grant an exception to this requirement, if the HMO can demonstrate with specific data that the physician ratio requirement is not feasible in a particular service area. The HMO may have as part of their data a written statement from the physician(s) certifying that they will see more HMO enrollees and have the capacity for the extra enrollees.

Completed applications and accompanying documentation are to be mailed to:

Mailing Address:

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

Street Address:

West Virginia Insurance Commission
Financial Conditions Division
1124 Smith Street, Room 404
Charleston, West Virginia 25301

Please direct any questions regarding the Grievance Procedure to Kathleen A. Beck, Director, Consumer Services Division. Questions concerning Quality Assurance should be directed to Cathy J. Ayersman with the Consumer Advocacy Division. All other questions regarding the "Health Maintenance Organization Application Guidelines and Checklist for Certificate of Authority" should be directed to either Robert E. Cadle or Jamie O. Taylor with the Financial Conditions Division.

Hanley C. Clark
Insurance Commissioner