806 KAR 38:010. Information required of applicants for certificate of authority.

RELATES TO: KRS 304.38-060
STATUTORY AUTHORITY: KRS 304.38-150
NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.38-060 provides that applicant Health Maintenance Organizations satisfy the commissioner as to the reputation and capability of persons responsible for the conduct of its affairs, its financial responsibility and its financial basis in provisions for working capital prior to the issuance of a certificate of authority.

Section 1. The proposed health maintenance organization shall furnish the name and residence address of each individual who will be directors, officers or management of the health maintenance organization. A biographical resume must be furnished on each individual on a form prescribed by the commissioner.

Section 2. The health maintenance organization shall have sufficient funds originally to cover all initial organizational, promotional, and sales expenses, plus an additional amount sufficient to cover up to thirty (30) days operating expenses.

Section 3. The health maintenance organization shall cease issuing new contracts to enrollees, except newborn children or other newly acquired dependents of existing enrollees, when its admitted assets are less than $80,000 in excess of its liabilities. The aforesaid shall not apply for the first thirty-six (36) months of operation under a certificate of authority for those health maintenance organizations which have no other source of funding for operating costs, except for revenues received from enrollees or revenues received thereon, other than through loans or loan guarantees which have been granted by the United States under Title XII of the Health Maintenance Act of 1973 Section 1305.

Section 4. In order to help determine the financial responsibility of the health maintenance organization, it will be necessary for each health maintenance organization to furnish financial statements, for three (3) years after the certificate of authority has been issued, to the commissioner on a calendar quarter basis, i.e., as of March 31, June 30, September 30 and December 31. These statements shall be filed upon a form prescribed by the commissioner no later than forty-five (45) days following the close of the calendar quarter. At the end of the three (3) year period as noted above, the commissioner may request the continuation of such quarterly reporting if he deems it necessary.
(1 Ky.R. 1089; eff. 7-2-75; TAm eff. 8-9-2007; Crt eff. 2-26-2020; TAm eff. 3-10-2020.)