



**Health Maintenance Organization (HMO)
Certificate of Authority
Application Checklist**
Effective 1/25/2019

The attached Health Maintenance Organization Checklist includes the items that applicants must submit to the Minnesota Department of Health (MDH) in order for MDH to issue a certificate of authority to operate as an HMO or a County Based Purchaser. 2017 changes to Minnesota Statutes, Chapter 62D, allow both for-profit and not-for-profit, foreign and domestic corporations to apply for licensure.

Prospective HMOs must complete the checklist and submit all applicable information to MDH in accordance with the instructions on the attached form.

Instructions:

- Provide the contact information requested (page 1).
- Clearly label all items submitted with section numbers that correspond to the items in the checklist.
- Submit one electronic and **two paper copies** of the completed checklist and all related documents to:

Mailing address:

Managed Care Section
Minnesota Department of Health
Managed Care Systems Section
P.O. Box 64882-0882
St. Paul, MN 55164-0882

Courier address:

Managed Care Section
Minnesota Department of Health
Managed Care Systems Section
85 East Seventh Place, Suite 220
St. Paul, MN 55101

Trade Secret:

Under Minnesota Statutes, section 62D.23, materials submitted as part of an HMO application are considered public, unless specific information is asserted and approved as trade secret under Minnesota Statutes, Sections 13.37 and 62D.03, subd. 4(g).

To assert trade secret, clearly identify what parts of the application this applies to, and demonstrate, with specific facts, that the material meets the criteria of trade secret under Minnesota Statutes, Section 13.37. You may claim trade secret for a submitted document in its entirety, or in part. MDH will review your trade secret assertions, determine whether to approve them, and communicate our decisions to you.

MDH license application review process:

- MDH will complete its review of the materials within 90 days of the receipt of a **complete** application. The 90-day review period will not begin until the applicant submits **all** required documents. At the end of the 90-day period, if there are still items including revisions to documents that are necessary to approve the application, this time period will be extended.
- MDH may ask for additional information and revisions to documents during the course of its review.
- When all requirements of law have been satisfied, MDH will issue a certificate of authority to operate as an HMO.
- If MDH does not receive a response within 30 days of a request for additional information and/or revisions to documents, we will send a letter notifying the applicant that the application will be closed pending lack of response. An applicant can request to reopen the application within 30 days of this letter without incurring an additional filing fee. If no response is received, the application will be denied.

Additional information:

Minnesota Statute 62D.04, subd. 5 states “Health maintenance organizations shall, as a condition of receiving and retaining a certificate of authority, participate in the medical assistance and MinnesotaCare programs.” Applicants should be aware of this requirement prior to submission of an HMO application.

MDH does not issue HMO licenses for single or limited products. Applicants must meet all requirements of HMO law. The certificate of authority grants the authority to offer any commercial, public program or Medicare products, subject to approval from other regulatory agencies such as the Minnesota Department of Human Services (DHS) and the Centers for Medicare and Medicaid Services (CMS).

Contact information:

Email: health.mcs@health.state.mn.us, or the mailing address listed above with any questions.

Minnesota Department of Health
**Health Maintenance Organization
 License Application Checklist**

Applicant contact information	
Health Maintenance Organization	
Organization name	
Address	
Telephone number	
Contact person	
Name	
Title	
Address	
Telephone number	
Fax number	
E-mail address	
Signature	I hereby swear that information submitted with this application is true to the best of my knowledge.
Date	

**Minnesota Department of Health
Health Maintenance Organization
Regulatory Compliance Checklist**

Mark an "X" in the box that applies:						
Section	Item	Statute/Rule	HMO document	Contractor document	N/A	Trade Secret Requested?
A.1	A copy of any basic organizational document of the <i>health maintenance organization</i> , if such documents exist.	Minn. Stat. § 62D.03, subd. 4 (a)				
A.2	A copy of any basic organizational document (articles of incorporation and/or any other applicable documents) of each <i>major participating entity</i> .	Minn. Stat. §§ 62D.03, subd. 4 (a); 62D.02, subd. 13				
B.1	A copy of any bylaws, rules and regulations (or other similar documents) that regulate the rules of conduct of the affairs of the <i>health maintenance organization</i> , if such documents exist.	Minn. Stat. § 62D.03, subd. 4 (b)				
B.2	A copy of any bylaws, rules and regulations (or other similar documents) that regulate the rules of conduct of the affairs of each <i>major participating entity</i> .	Minn. Stat. §§ 62D.03, subd. 4 (a); 62D.02, subd. 13				
C.1	The names, addresses and official positions of all members of the board of directors and principal officers and shareholders of the <i>applicant</i> .	Minn. Stat. § 62D.03, subd. 4 (c) (1)				
C.2	The names, addresses, and official positions of the board of directors and the principal officers of each <i>major participating entity</i> .	Minn. Stat. §§ 62D.03, subd. 4 (c) (2); 62D.02, subd. 13				
C.3	The names and addresses of each shareholder who owns more than ten percent of the voting stock of any major participating entity.	Minn. Stat. §§ 62D.03, subd. 4 (c) (2); 62D.02, subd. 13				

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Mark an "X" in the box that applies:						
Section	Item	Statute/Rule	HMO document	Contractor document	N/A	Trade Secret Requested?
C.4	An organizational chart for the health maintenance organization showing the names of staff members (who will perform functions related to the health maintenance organization) and their responsibilities.	Minn. Stat. § 62D.03, subd. 4 (t)				
D.1	A full disclosure of the extent and nature of any contract or financial arrangements between the applicant and the persons listed in Section C.1.	Minn. Stat. § 62D.03, subd. 4 (d) (1) Minn. Rule 4685.0300, subp. 2 (A) and (B)				
D.2	A full disclosure of the extent and nature of any contract or financial arrangements between the applicant and the persons listed in Section C.2 and C.3.	Minn. Stat. § 62D.03, subd. 4 (d) (2) Minn. Rule 4685.0300, subp. 2 (A) and (B)				
D.3	A full disclosure of the extent and nature of any contract or financial arrangements between each <i>major participating entity</i> and the persons listed in Section C.1 concerning any financial relationships with the health maintenance organization.	Minn. Stat. § 62D.03, subd. 4 (d) (3) Minn. Rule 4685.0300, subp. 2 (A) and (B)				
D4	A full disclosure of the extent and nature of any contract or financial arrangements between each <i>major participating entity</i> and the persons listed in Sections C.2 and C.3 concerning any financial relationship with the health maintenance organization.	Minn. Stat. § 62D.03, subd. 4 (d) (4) Minn. Rule 4685.0300, subp. 2 (A) and (B)				

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Section	Item	Statute/Rule	HMO document	Contractor document	N/A	Trade Secret Requested?
E.1	A copy of the conflict of interest policy applicable to all members of the governing board and principal officers of the health maintenance organization.	Minn. Stat. § 62D.03, subd. 4 (r)				
E.2	Evidence that each member of the governing board has signed the conflict of interest policy.	Minn. Stat. 62D.03, subd. 4 (r) and 4 (t)				
F.1	The name and address of each provider with which the proposed health maintenance organization has signed a contract, and the duration of each contract.	Minn. Stat. § 62D.03, subd. 4 (e) and 4 (t) Minn. Rules 4685.2100 D				
F.2	A copy of each contract between each provider and the health maintenance organization. If the form of a provider contract is the same for multiple providers, the health maintenance organization needs to file only one copy of the contract.	Minn. Stat. §§ 62D.123; 62D.03, subd. 4 (t)				
F.3	Evidence that the provider contracts have been signed. Acceptable evidence is a copy of the signature page of each provider contract, or a sworn affidavit from the applicant that the providers are under contract with the applicant.	Minn. Stat. § 62D.03, subd. 4 (g) Minn. Rules 4685.3300, subp. 9 (G)				
G.1	A signed copy of each administrative or management services agreement between the administrative services provider and the health maintenance organization.	Minn. Stat. 62D.03, subd. 4(g)				

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Mark an "X" in the box that applies:						
Section	Item	Statute/Rule	HMO document	Contractor document	N/A	Trade Secret Requested?
H.1	A description of the health maintenance organization's health services contracts with its participating or owned facilities and personnel.	Minn. Stat. § 62D.03, subd. 4 (h)				
H.2	A description of the care delivery model (i.e. primary care gatekeeper, multi-specialty group practice, open choice within a network of providers, or a combination of more than one model) through which the health maintenance organization proposes to provide enrollees with comprehensive services.	Minn. Stat. § 62D.03, subd. 4 (h)				
I.1	A copy of the form of each evidence of coverage (sometimes referred to as "certificate of coverage") that the health maintenance organization proposes to issue to enrollees.	Minn. Stat. §§ 62D.03, subd. 4 (i); 62D.07, subd. 2				
J.1	A description of how the health maintenance organization will meet the annual and quarterly reporting requirements of Minn. Stat. § 62D.08. This response shall include a description of the administrative and computer systems that the health maintenance organization will use to generate these reports, a verification that the systems are in place, and evidence that the appropriate staff members have been trained in how to use the systems.	Minn. Stat. §§ 62D.08; 62D.03, subd. 4 (t) Minn. Rules 4685.1980, 4685.2100				

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K.1	Evidence that the health maintenance organization has deposited sufficient funds in an acceptable custodial or controlled account (i.e. a copy of the trust agreement or bank document and a dated statement showing balance of funds in the account).	Minn. Stat. §§ 62D.03, subd. 4 (t);62D.041, subds. 3 and 9				
K.2	Evidence that the health maintenance organization has met the requirements for net worth by depositing sufficient funds in a restricted account.	Minn. Stat. § 62D.042, subd. 2				
L.1	A three-year projection of calendar year balance sheets, including admitted assets and liabilities, for the enterprise fund supporting the health maintenance organization.	Minn. Stat. §62D.03, subd. 4 (l) and (t)				
L.2	A detailed operating plan that includes a three-year projection of the income and expenses for the enterprise fund and other sources of future capital, including projected monthly enrollment.	Minn. Stat. § 62D.03, subd. 4 (l).				
M.1	A detailed map with the proposed service area outlined.	Minn. Stat. §§ 62D.03, subd. 4 (m) and (t); 62D.124 Minn. Rules 4685.3300, subp. 9 A.				
M.2	Provider locations charted on the map.	Minn. Stat. §§ 62D.03, subd. 4 (m) and (t); 62D.124 Minn. Rules 4685.3300, subp. 9 B.				

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M.3	A description of the driving distances, using major transportation routes, from the borders of the proposed service area to the participating providers.	Minn. Stat. §§ 62D.03, subd. 4 (m) and (t); 62D.124 Minn. Rules 4685.3300, subp. 9 (C)				
M.4	A description of the providers' hours of operation.	Minn. Stat. §§ 62D.03, subd. 4 (t); 62D.124. Minn. Rules 4685.3300, subp. 9 (D); 4685.1010 A (1)				
M.5	Evidence that the physicians have admitting privileges at the hospitals that enrollees in the proposed service area will use.	Minn. Stat. §§ 62D.03, subd. 4 (t); 62D.04, subd. (1)(a); 62D.124 Minn. Rules 4685.3300, subp. 9 (E)				
M.6	The name, address and specialty of each provider in the proposed service area.	Minn. Stat. §§ 62D.03, subd. 4 (m); 62D.04, subd. (1)(a); 62D.124 Minn. Rules 4685.3300, subp. 9 (F); 4685.1010				
M.7	Evidence that comprehensive health maintenance services are available to enrollees on a 24-hour per day, seven days per week basis within the proposed service area.	Minn. Stat. §§ 62D.03, subd. 4 (t); 62D.04, subd. (1)(a); 62D.124 Minn. Rules 4685.1010, subp. 1 (A) and (B)				
N.1	A written quality assurance plan that includes each of the requirements listed in Minn. Rules 4685.1110, subps. 1 – 13.	Minn. Stat. § 62D.04, subd. (1)(b) Minn. Rules 4685.1110, subps. 1 – 13				
N.2	A description of how the applicant will conduct ongoing quality evaluation activities, including problem identification, problem selection, corrective action and evaluation of corrective action.	Minn. Stat. § 62D.04, subd. (1)(b) Minn. Rules, 4685.1115 and 4685.1120				

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N.3	Provide a sample of a work plan that should outline the proposed quality activities that will be conducted.	Minn. Rules, 4683.1130, subp.2				
N.4	Policies/procedures for provider selection, credentialing, and recredentialing that are at consistent with accepted community standards.	Minn. Rules, 4685.1110, subp. 11.				
N.5	Provide description and or policies/procedures of how applicant addresses delegation oversight. Include pre-delegation assessment, ongoing monitoring and annual evaluation activities.	Minn. Rules, 4685.1110, subp. 6				
O.1	A description of the applicants' complaint and appeal procedures.	Minn. Stat. § 62D.03, subd. 4 (n) Minn. Stat. §§ 62Q.68 – 62Q.73				
O.2	A description of the applicants plans for meeting the utilization review requirements of Minn. Stat. ' 62M.	Minn. Stat. § 62D.03, subd. 4 (t); 62D.04, subd. 1(c) Minn. Stat. §§ 62M.04 – 62M.12.				
O.3	A copy of the health maintenance organization's prior authorization procedures.	Minn. Stat. §§ 62M.07; 62D.03, subd. 4 (s)				
P.1	A description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy operation.	Minn. Stat. § 62D.03, subd. 4(s)				

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Q.1	Evidence that the proposed health maintenance organization will meet the requirements of Minn. Stat. § 72A.201, concerning the regulation of claims practices. If the health maintenance organization will purchase claims processing services from another entity, include a copy of the signed contract between the health maintenance organization and the claims processing entity.	Minn. Stat. §§ 62D.03, subd. 4(t); 72A.201				
Q.2	Explanation of how the applicant intends to comply with Minn. Stat. § 62D.04, subd. 5 on participation in public programs.	Minn. Stat. § 62D.04, subd. 5				
R.1	Explanation of how any material claimed protected as "Trade Secret" meets the criteria set forth in Minn. Stat. §13.37, subd. 1(b).	Minn. Stat. §§13.37, subds. 1(2), 2; 62D.03, subd. 4				