

§4203. Establishment of health maintenance organizations

1. Subject to the Maine Certificate of Need Act of 2002, a person may apply to the superintendent for and obtain a certificate of authority to establish, maintain, own, merge with, organize or operate a health maintenance organization in compliance with this chapter. A person may not establish, maintain, own, merge with, organize or operate a health maintenance organization in this State either directly as a division or a line of business or indirectly through a subsidiary or affiliate, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with, a health maintenance organization without obtaining a certificate of authority under this chapter.

[PL 2003, c. 510, Pt. A, §19 (AMD).]

2. Every existing health maintenance organization as of the effective date of this chapter shall submit an application for a certificate of authority under subsection 3 within 30 days of the effective date of this chapter. Each such applicant may continue to operate until the superintendent acts upon the application. In the event that an application is denied under section 4204, the applicant shall henceforth be treated as a health maintenance organization whose certificate of authority has been revoked.

[PL 1975, c. 503 (NEW).]

3. Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, shall be in a form prescribed by the superintendent and shall set forth or be accompanied by the following:

A. A copy of the basic organizational document, if any, of the applicant such as the articles of incorporation, articles of association, partnership agreement, trust agreement or other applicable documents and all amendments thereto; [PL 1975, c. 503 (NEW).]

B. A copy of the bylaws, rules and regulations, or similar document, if any, regulating the conduct of the internal affairs of the applicant; [PL 1975, c. 503 (NEW).]

C. A list of the names, addresses and official positions of the persons who are to be responsible for the conduct of the affairs of the applicant, including all members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation and the partners or members in the case of a partnership or association; [PL 1975, c. 503 (NEW).]

D. A copy of any contract made or to be made between any providers or persons listed in paragraph C and the applicant; [PL 1975, c. 503 (NEW).]

E. A statement generally describing the health maintenance organization, its health care services, facilities and personnel; [PL 1975, c. 503 (NEW).]

F. A copy of the form of evidence of coverage to be issued to the enrollees; [PL 1975, c. 503 (NEW).]

G. A copy of the form of the group contract, if any, which is to be issued to employers, unions, trustees or other organizations; [PL 1975, c. 503 (NEW).]

H. Financial statements showing the applicant's assets, liabilities and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent regular certified financial statement shall be deemed to satisfy this requirement, unless the superintendent directs that additional or more recent financial information is required for the proper administration of this chapter; [PL 1975, c. 503 (NEW).]

I. A financial feasibility plan that includes detailed enrollment projections, the methodology for determining premium rates to be charged during the first 12 months of operations certified by an actuary or other qualified person, a projection of balance sheets, cash flow statements showing any capital expenditures, purchase and sale of investments and deposits with the State, income and expense statements anticipated from the start of operations until the organization has had net

income for at least one year and a statement of the sources of working capital and any other sources of funding; [PL 1989, c. 842, §4 (RPR).]

J. A power of attorney duly executed by such applicant, if not domiciled in this State, appointing the superintendent and the superintendent's successors in office, and duly authorized deputies, as the true and lawful attorney of such applicant in and for this State upon whom all lawful process in any legal action or proceeding against the health maintenance organization on a cause of action arising in this State may be served; [RR 2021, c. 1, Pt. B, §341 (COR).]

K. A statement reasonably describing the geographic area or areas to be served; [PL 1975, c. 503 (NEW).]

L. A description of the complaint and grievance procedures to be utilized as required under section 4303, subsection 4 and section 4211; [PL 1995, c. 673, Pt. D, §2 (AMD).]

M. A description of the proposed quality assurance program, including the formal organization structure, methods for developing criteria, procedures for comprehensive evaluation of the quality of care rendered to enrollees, and processes to initiate corrective action and reevaluation when deficiencies in provider or organizational performance are identified; [PL 1989, c. 842, §5 (RPR).]

N. A description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy and operation under section 4206, subsection 2; [PL 1975, c. 503 (NEW).]

O. A schedule of rates with supporting actuarial and other data; [PL 1975, c. 503 (NEW).]

P. A description of a procedure to develop, compile, evaluate and report statistics relating to the cost of its operations, the pattern of utilization of its services, the availability and accessibility of its services and such other matters as may be reasonably required by the Commissioner of Human Services; [PL 1975, c. 503 (NEW).]

Q. Such other information as the superintendent may reasonably require to make the determinations required in section 4204; [PL 1989, c. 842, §6 (AMD).]

R. A description of procedures to be implemented to meet the protection against insolvency requirements in section 4204, subsection 2-A, paragraph D and section 4204-A; and [PL 1989, c. 842, §7 (NEW).]

S. A list of the names and addresses of all physicians and facilities with which the health maintenance organization has or will have agreements. If products are offered that pay full benefits only when providers within a subset of the contracted physicians or facilities are utilized, a list of the providers in that limited network must be included, as well as a list of the geographic areas where the products are offered. [PL 2011, c. 90, Pt. F, §5 (AMD).]
[RR 2021, c. 1, Pt. B, §341 (COR).]

4. Each application for a certificate of authority shall be made in duplicate. Upon receipt of an application for a certificate of authority, the superintendent shall immediately transfer one copy to the Commissioner of Health and Human Services.
[PL 1981, c. 501, §48 (NEW); PL 2003, c. 689, Pt. B, §7 (REV).]

SECTION HISTORY

PL 1975, c. 293, §4 (AMD). PL 1975, c. 503 (NEW). PL 1979, c. 216, §1 (AMD). PL 1981, c. 501, §48 (AMD). PL 1989, c. 842, §§4-7 (AMD). PL 1993, c. 702, §A11 (AMD). PL 1995, c. 332, §O1 (AMD). PL 1995, c. 673, §D2 (AMD). PL 1997, c. 370, §F1 (AMD). PL 2003, c. 469, §E18 (AMD). PL 2003, c. 510, §A19 (AMD). PL 2003, c. 689, §B7 (REV). PL 2011, c. 90, Pt. F, §5 (AMD). RR 2021, c. 1, Pt. B, §341 (COR).

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