

304.38-060 Issuance of certificate of authority.

Upon receipt of an application for issuance of a certificate of authority, the commissioner shall issue or deny the same. Issuance of a certificate of authority shall be granted only if the commissioner finds that the applicant has complied with KRS 304.38-040 and has paid the application fee, and the commissioner is satisfied that the following conditions are met:

- (1) The persons responsible for the conduct of the affairs of the application are competent, trustworthy, and possess good reputations;
- (2) The health maintenance organization is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner may consider:
 - (a) The financial soundness of the health maintenance organization's arrangements for health care services and the schedule of charges used in connection therewith;
 - (b) The adequacy of working capital;
 - (c) Any agreement with an insurer, a government, or any other organization for insuring the payment of the cost of health care services or the provision for automatic applicability of an alternative coverage in the event of discontinuance of the health maintenance organization or its inability to meet its financial obligations;
 - (d) Examples of any agreements with providers for the provision of health care services by provider type; and
 - (e) Compliance with KRS 304.38-070 if the applicant is applying for a health maintenance organization certificate of authority as a guarantee that the obligations will be duly performed.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1502, effective July 15, 2010. -- Amended 2002 Ky. Acts ch. 105, sec. 24, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 427, sec. 4, effective July 14, 2000. -- Amended 1986 Ky. Acts ch. 437, sec. 27, effective July 15, 1986. -- Created 1974 Ky. Acts ch. 357, subtit. 38, sec. 6, effective June 21, 1974.