



DATE: DECEMBER 16, 2014

TO: DOMESTIC HEALTH MAINTENANCE ORGANIZATIONS

SUBJECT: **2015 FILINGS & INSTRUCTIONS FOR CONTRACTUAL ARRANGEMENTS BETWEEN HMOs & IDSs**  
**[40 P. S. §1558(b) and 1561(a) and 31 PA Code §301.311-301.313]**

FROM: FINANCIAL ANALYSIS DIVISION

This memorandum will assist you in reporting contractual arrangements with risk-bearing Integrated Delivery Systems (“IDSs”) to the Pennsylvania Insurance Department. Only HMOs that have, or anticipate entering into, contracts with risk-assuming IDSs that also perform marketing, administrative or similar functions need review this notice.



DOCUMENT	DUE DATE
Annual Filing Form and Annual Filing Form Table	March 15, 2015
Initial contract(s): Send with an Initial Contract Filing Form and additional information that may be appropriate, such as a cover letter	File with the first required quarterly or annual financial statement following the effective date of the contract; i.e., March 15, 2015 May 15, 2015 August 15, 2015 November 15, 2015
Amended contract(s): Send with a Contract Changes Filing Form and additional information that may be appropriate, such as a cover letter	File with the first required quarterly or annual financial statement following the effective date of the amended contract; i.e., March 15, 2015 May 15, 2015 August 15, 2015 November 15, 2015



An HMO needs to file contracts and contract filing forms with the Insurance Department whenever a contract with an IDS exists, and the IDS performs the following functions:

1. Assumes risk,
2. Delivers health care services, **AND**
3. Performs other functions as indicated in Section 8(b) of the HMO Act.

If the contract with the IDS does not result in all three criteria being met, either directly or through subcontractors, then the contract does not need to be filed with the Insurance Department.

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### **CONTRACT APPROVAL**

Please note that the Insurance Department reviews filings using a modified **File and Use** approval system. Once a contract has been approved by the Department of Health, the contract may be used in the marketplace. The contract and contract filing form should then be filed with the Insurance Department with the next required quarterly or annual financial statement. (See Required Filings section.)

The Insurance Department maintains its ability to review filings, but does not routinely issue approval letters. The Insurance Department will contact an HMO concerning an HMO-IDS contract filing whenever additional information is necessary. The objective of the review process is to determine if the HMO has delegated responsibilities to an IDS, which may have the potential to result in harm to the financial condition of the HMO.

### **FILINGS TO THE DEPARTMENT OF HEALTH**

Please note that the required filings of the Insurance Department are separate from any filings required by the Department of Health and that the criteria used to determine who needs to file are different. If you have any questions, on the Department of Health's requirements, please contact William Wiegmann, Director, Bureau of Managed Care at 717.787.5193.

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### **GENERAL INSTRUCTIONS**

***Due Date*** - All filings must be postmarked no later than the indicated due date. If the due date falls on a weekend or holiday, the deadline is extended to the next business day.

***Filing Fees*** - There are no filing fees associated with the contracts between HMOs and IDSs or the required written reports.

***Format*** - The written reports to be completed in 2014 are located on the Department's website.

***Extensions*** - Please note that there is no provision for granting an extension for the filing of contractual arrangements between HMOs and IDSs or the required written reports concerning these arrangements.

***Statement References*** - Please provide cross-references to the exact pages and line numbers of the annual statement filed by the HMO used to obtain the financial data reported on the "HMO Contracts with Risk Assuming IDSs" table.

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HMO IDS Filings  
Financial Analysis Division  
Pennsylvania Insurance Department  
1345 Strawberry Square  
Harrisburg, PA 17120  
Phone: 717.787.2142  
E-mail at [ra-in-analysis@pa.gov](mailto:ra-in-analysis@pa.gov)