

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	Pursuant to the Health Maintenance
	:	Organization Act, Act of December
The Request of QualMed Plans for Health	:	29, 1972, P.L. 1701, No. 364, <u>as</u>
of Western Pennsylvania, Inc. for	:	<u>amended</u> , December 19, 1980, P.L.
Approval to Surrender its Certificate of	:	1300, No. 234, 40 P.S. §§1551
Authority to Operate as a Health	:	through 1567
Maintenance Organization	:	
	:	
	:	
	:	Order Number ID-RC-02-26

DECISION AND ORDER

AND NOW, on this __26th__ day of November, 2002, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Health Maintenance Organization Act, and in consideration of the documents, representations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

1. QualMed Plans for Health of Western Pennsylvania, Inc. (“QualMed”) is a Health Maintenance Organization (“HMO”) organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.
2. On October 4, 2002, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from QualMed to voluntarily surrender its Certificate of Authority to operate as a domestic HMO in this Commonwealth.
3. On October 26, 2002, the Department published notice in the Pennsylvania Bulletin that the Request was submitted by QualMed, and such notice invited interested persons to submit comments to the Department regarding the Request for a thirty (30)

day period, ending November 28, 2002.

4. During the 30 day period, the Department received no relevant comments regarding the proposed Request.
5. On June 29, 1988, QualMed was issued a Certificate of Authority by this Department and the Department of Health pursuant to the Health Maintenance Organization Act of December 29, 1972, P.L. 1701, No. 364, as amended (40 P.S. §1551, et seq.) to operate as a HMO in the Commonwealth of Pennsylvania.
6. As stated in the Request, QualMed has no current HMO policies or members.
7. As stated in the Request, QualMed has no known liabilities.
8. As stated in the Request, the purpose of this transaction is to surrender the authority to operate a HMO, but continue the corporate existence.
9. QualMed has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority to act as a HMO in the Commonwealth of Pennsylvania and to continue the existence of the company.
10. QualMed has provided documentation that the sole shareholder has resolved to surrender the QualMed Certificate of Authority to act as a HMO in the Commonwealth of Pennsylvania and to cause QualMed to continue to exist.
11. As stated in the Request, as there were never any members of the HMO, QualMed has not made provisions for the payment of member claims.
12. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Inasmuch as QualMed does not have any members, QualMed is not required to make provision for payment of member claims.
2. Inasmuch as QualMed will be a going concern, the Department's approval of the Request will have no impact on any creditors of QualMed.
3. Based on all the information and analyses received and the Department's independent review, the Request is reasonable and in accordance with law.
4. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	Pursuant to the Health Maintenance
	:	Organization Act, Act of December
The Request of QualMed Plans for Health	:	29, 1972, P.L. 1701, No. 364, <u>as</u>
of Western Pennsylvania, Inc. for	:	<u>amended</u> , December 19, 1980, P.L.
Approval to Surrender its Certificate of	:	1300, No. 234, 40 P.S. §§1551
Authority to Operate as a Health	:	through 1567
Maintenance Organization	:	
	:	
	:	
	:	Order Number ID-RC-02-26

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”) hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on October 4, 2002, by QualMed Plans for Health of Western Pennsylvania, Inc. (“QualMed”), subject to the following conditions:

1. QualMed shall not engage in the business of providing a Health Maintenance Organization, or any other insurance company business, in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department.
2. QualMed shall return its Certificate of Authority to the Insurance Department within one year of the date of this Order.
3. The surrender shall be effective upon receipt of the Certificate of Authority by the Insurance Department.
4. Should QualMed, as a continuing business corporation, determine that it would like to engage at some time in the future in the business of providing a Health Maintenance Organization or other insurance company, it will be necessary to file a new application for an appropriate certificate of authority.

This Order is effective immediately.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Commonwealth of Pennsylvania