

11 NCAC 11C .0311 EXPANSION OF SERVICE AREA: HMO

(a) Applications for expansion of service area shall provide current data stated in G.S. 58-67-10(c)(1) along with a feasibility study and market survey of the proposed area as stated in 11 NCAC 11C .0307.

(b) Applications for expansion of service area must demonstrate at least a minimum of one year of net operational gains by the applicant in the current approved service area.

(c) The requirement of Paragraph (b) may be waived by the Commissioner if additional capital as determined by the Commissioner is placed in the HMO, or if a guaranty agreement approved in writing by the Commissioner, to pay for any loss to enrollees claiming reimbursement due to the insolvency of the HMO is made. In order to qualify, the guaranteeing organization shall:

- (1) submit to the jurisdiction of this State for actions arising under the guarantee;
- (2) submit certified, audited annual financial statements to the Commissioner; and
- (3) appoint the Commissioner to receive service of process in this State.

History Note: *Authority G.S. 58-2-40; 58-67-10;*
Eff. April 1, 1993;
Amended Eff. April 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20,
2015.