



REQUIREMENTS FOR ORGANIZING AND LICENSING OF AN OPTOMETRIC SERVICES PLAN

Prospective applicants should contact the Company Licensing and Regulatory Compliance Section of the Bureau of Insurance about their intention to establish an optometric service plan in Virginia. By doing so, the applicant will have the opportunity to submit a more thorough and acceptable application.

1. Submit the appropriate application form (form enclosed), completed and signed along with a check payable to the Treasurer of Virginia for the \$500 nonrefundable application fee.
2. The plan may be conducted by a group of optometrists through a nonstock corporation. Pursuant to §§ 38.2-4501, 4503 and 4504 of the Code of Virginia, submit to the Bureau of Insurance a copy of the applicant's organizational document(s), i.e. articles of incorporation with any amendments. **Information pertaining to this process may be obtained at www.scc.virginia.gov/clk.**
3. Submit a copy of the entity's bylaws, certified by its Secretary.
4. Submit the name, address and official position of each member of the governing body and any person with authority to manage or establish policy. For each individual, provide an NAIC Biographical Affidavit. The Biographical Affidavit must be certified by an independent third party that has conducted a comprehensive review of the applicant's background and has certified that the Biographical Affidavit has no inaccurate or conflicting information and no material omissions. NAIC Biographical Affidavits must be current and shall not be signed by the affiant more than one year prior to the date the application is filed. The form can be accessed through the Company Licensing Procedures section of the BOI website.
5. Submit a current financial statement showing a balance sheet as of recent date, signed by at least two principal officers before a Notary Public. Describe any investments or property shown. Such a description should include a list of the securities owned; a list of deposits with the banks stating the name, address, and amount deposited in each bank; and a general list of other properties owned. The statement must show an adequate amount for operations.

6. Submit projected income statements, balance sheets, and cash flow statements by quarter for one year past "breakeven" and at least for three years into the future. Fully document all important assumptions, including but not limited to premium rates; levels of enrollment; utilization rates; factors determining health care expenses; administrative expenses; and future sources of financing. A plan must demonstrate an ability to adequately finance its operations and to maintain an adequate minimum capital and surplus at all times as a condition of licensure. "Non-agency" plans should note specific requirements for contingency reserves pursuant to § 38.2-4504 C and D of the Code of Virginia.
7. Provide a written description of proposed method of operation manner of doing business, including information on (a) the delivery system, (b) management information systems, (c) internal controls, (d) the marketing of the plan, and (e) the management team, along with any contract for these services. The description must include a discussion on whether the plan is an agency or nonagency plan.
8. Submit a copy of each subscriber contract(s), evidence(s) of coverage, group contract(s) endorsement(s), and member application form(s), which the plan proposes to use in Virginia. Include a description of the premium rates to be charged for each contract and the services made available in consideration of such payments of premiums. An actuarial justification of the rates must be included.
9. Submit a copy of all Participation Agreements and the rates of compensation for providers of optometric services along with a list of all providers entering into such agreements.
10. Include a description of geographical areas (names of counties and cities) to be served. More than one plan may be licensed for the same geographical area only under certain conditions as listed in § 38.2-4515 of the Code of Virginia.
11. Provide a description of insurance policies to protect the plan and/or its subscribers. Types of coverages should at least include (a) excess and stop/loss, (b) fidelity bonding, (c) general liability, (d) professional liability (malpractice), and (e) insolvency coverage.
12. Include a description of the sources of funding mechanisms for the optometric plan. Include any funding agreements in place or other mechanisms such as lines of credit or guarantees to support the viability of the optometric plan.

NOTE:

(1) If the applicant is to be a Virginia Corporation, it must secure a Certificate of Incorporation from the Clerk's Office, State Corporation Commission, (804) 371-9733. This may be done by filing Articles of Incorporation and paying the necessary fees. Information pertaining to this process may be obtained at www.scc.virginia.gov/clk. Copies of the Certificate of Incorporation must be filed with the application.

(2) An Optometric Services Plan organized in another state which is subject to substantially similar regulation and licensing may also be licensed in Virginia. The plan should file evidence of regulation and licensing with the Bureau of Insurance. If the regulation of the state of domicile is deemed to be substantially similar, the foreign plan will be notified. The plan should then secure a Certificate of Authority from the Clerk's Office of the Commission and make application for license under items 1 through 12 above. Information may be obtained at www.scc.virginia.gov/clk. This is in addition to the license received from the Bureau of Insurance.

(3) If the Optometric Services Plan's operations meet the criteria of a managed care health insurance plan ("MCHIP") as defined in § 38.2-5800 of the Code of Virginia, please document compliance with the provisions of Chapter 58 of Title 38.2 of the Code of Virginia by submitting items required by the attached addendum pertaining to the establishment of a MCHIP.

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION, BUREAU OF INSURANCE
RICHMOND, VIRGINIA 23219**

APPLICATION FOR LICENSE IN VIRGINIA

(Name of Plan)

(NAIC Number)

(FEIN number)

(Address)

hereby applies for a Virginia license to operate a plan issuing contracts for future

- Hospitalization Services
- Medical Services
- Surgical Services
- Dental Services
- Optometric Services
- Legal Services

Number of subscribers as of January 1 of the current year _____

Names and addresses of all hospitals, physicians, dentists, optometrists or attorneys participating in plan:

Geographical area requested by plan:

(Date)

(Signature of Officer)

(Title)

**APPLICATION FOR THE ESTABLISHMENT OF A
MANAGED CARE HEALTH INSURANCE PLAN (MCHIP)**

No person shall operate a MCHIP in Virginia unless the health carrier responsible for the plan is licensed in accordance with provisions of Title 38.2 of the Code of Virginia as an insurance company, a health maintenance organization, a optometric plan organization or a nonstock corporation organized in accordance with provisions in Chapter 42 or Chapter 45. To establish a MCHIP, the health carrier, when applying for initial license, shall provide the items detailed below. All items listed must be addressed in an orderly and thorough manner. Please submit the information in notebook format, referencing each specific section of your submission to an item below.

- A. State the complete legal name, NAIC number (if any), address, and telephone number of the health carrier.
- B. Identify the type of license issued or for which application is being made.
- C. Describe and categorize the transactions and operations of the MCHIP that influence the cost or level of health care services between the health carrier and one or more providers with respect to the delivery of health care services through the MCHIP. Include:
 - (i) A general description of operations.
 - (ii) A description of the arrangements that the health carrier has with providers with respect to the delivery of health care services. If more than one type of arrangement is used or contemplated, types of arrangements should be categorized with reference to distinguishing features. The applicant shall specify also the extent to which different types of arrangements shall be used or relied upon in the conduct of the health carrier's business.
 - (iii) Descriptions of all provider incentive arrangements. Describe both compensation methodology and the nature of the incentive.
- D. Submit a copy of the health carrier's request for its initial certification of quality assurance filed with the Department of Health. Quality of health care services, including access to care, shall be assessed by the Department of Health in accordance with provisions in Article 1.1 (§ 32.1-137.1 et seq.) of Chapter 5 of Title 32.1 concerning quality assurance.

- E. Briefly describe and categorize all contracts made with health care providers enabling the health carrier to provide health care services through its MCHIP to covered persons and attach representative forms of contracts. Incorporate by reference any contracts previously submitted to the Bureau. Individual provider contracts that conform to submitted forms, and contracts with persons outside this Commonwealth need not be filed unless requested by the Commission.
- F. Submit a description of the MCHIP's complaint system. The complaint system must comply with § 38.2-5804 by providing, among other things, reasonable procedures for resolution of written complaints.
- G. Submit a list of the current providers who have contracted with the health carrier directly, or indirectly through an intermediary organization, for the purpose of providing health care services. For each provider include both name and locality and in addition, identify by reference to contract forms submitted at Item E the type of contract under which health care services are to be delivered.
- H. Attest to the following:

We wish to operate a Managed Care Health Insurance Plan under the laws and regulations of the Commonwealth of Virginia. We have to the best of our knowledge, given thorough and true replies to the requests for information made above. We understand that the Bureau of Insurance may request additional information and we stand ready to comply in a timely fashion with any request it might make.

(Date)

(Health Carrier)

By: _____
(Signature of appropriate person)

(Title)

NOTE: MCHIPs are subject to regulation in this Commonwealth by both the State Corporation Commission Bureau of Insurance pursuant to Title 38.2 and the Virginia Department of Health pursuant to Title 32.1. Certain information may be required to be filed in duplicate with the Virginia Department of Health.