

### **Definition of an HMO that is Not Federally Qualified**

An HMO that is not federally qualified must be an entity that is licensed in Vermont as an HMO under provisions of 8 V.S.A. Chapter 139, as an insurer licensed to sell in Vermont under 8 V.S.A. Chapter 101, or a non-profit hospital or medical service corporation approved under 8 V.S.A. Chapters 123 and 125.

Additionally, the HMO must meet the following federal requirements:

- ◆ Be organized primarily for the purpose of providing health care services;
- ◆ Make the services it provides to its Medicaid enrollees as accessible to them (in terms of timeliness, amount, duration, and scope) as those services are to nonenrolled Medicaid recipients within the area served by the HMO;
- ◆ Make provision, satisfactory to the Medicaid agency, against the risk of insolvency, and assure that Medicaid enrollees will not be liable for the HMO's debts if it does become insolvent.

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