



HMO DELEGATION AGREEMENT CHECKLIST

You are advised to consult the Texas Insurance Code (TIC), Title 28 of the Texas Administrative Code, and other applicable laws relating to HMOs and HMO delegation of functions, to determine applicability and the full extent and nature of all the requirements listed in this document.

DELEGATION AGREEMENT REQUIRED	
An HMO that delegates a function required by TIC Chapters 843, 1271, 1272, 1367, Subchapter A, Chapter 1452, or Chapter 1507, Subchapter B, must execute a written delegation agreement with the entity to which the HMO delegates the function.	<ul style="list-style-type: none"> • TIC §1272.052 • 28 TAC §11.2604(a)

FILING REQUIREMENT	
An HMO must file the written executed delegation agreement and any subsequently executed amendment to the delegation agreement not later than the 30th day after the date the agreement or amendment is executed.	28 TAC §§11.2611 and 11.301

DEFINITIONS	
See applicable definitions in TIC §1272.001 and 28 TAC §11.2602	

COMPLIANCE BY LIMITED PROVIDER NETWORKS AND DELEGATED ENTITIES	
A limited provider network (LPN) or delegated entity must comply with each statutory or regulatory requirement that relates to a function assumed by or carried out by the LPN or delegated entity under TIC Chapter 1272	TIC §1272.002

REQUIRED PROVISIONS IN A DELEGATION AGREEMENT	
Compliance with all statutes and rules applicable to the functions that the HMO delegates	<ul style="list-style-type: none"> • TIC §1272.056 • 28 TAC §11.2604(b)(1)
Monitoring plan	<ul style="list-style-type: none"> • TIC §1272.053 • 28 TAC §11.2604(b)(2) and (3)
Penalties paid by the delegated entity	<ul style="list-style-type: none"> • TIC §1272.254 • 28 TAC §11.2604(b)(4)
Quarterly assessment and payment of penalties	28 TAC §11.2604(b)(5)
Termination without cause	<ul style="list-style-type: none"> • TIC §1272.054 • 28 TAC §11.2604(b)(6)
Collection of payments (hold-harmless provision)	<ul style="list-style-type: none"> • TIC §1272.055 • 28 TAC §11.2604(b)(7)
Rights and duties of delegated entity and HMO; HMO responsibility to comply with all statutory and regulatory requirements	<ul style="list-style-type: none"> • TIC §§1272.061 and 1272.063 • 28 TAC §11.2604(b)(8)

Termination of delegation for failure by the delegated entity to comply with applicable statutes and rules or monitoring standards	<ul style="list-style-type: none"> • TIC §1272.063 • 28 TAC §11.2604(b)(9)
Examination by Commissioner	<ul style="list-style-type: none"> • TIC §1272.057 • 28 TAC §11.2604(b)(10) and (11)
License number of delegated third party	<ul style="list-style-type: none"> • TIC §1272.058 • 28 TAC §11.2604(b)(12)
Utilization review	<ul style="list-style-type: none"> • TIC §1272.060 • 28 TAC §11.2604(b)(13)
Contracts with, and delegation of, functions to a delegated third party	<ul style="list-style-type: none"> • TIC §1272.059 • 28 TAC §11.2604(b)(14), (15), (16), (17), and (18)
Information that the delegated entity must provide to HMO	<ul style="list-style-type: none"> • TIC §1272.062 • 28 TAC §11.2604(b)(19) and (20)
Enrollee complaints	<ul style="list-style-type: none"> • TIC §1272.063 • 28 TAC §11.2604(b)(21)
Delegated entity and delegated third party must comply with the provisions of 28 TAC Chapter 22 (relating to privacy of financial and health information)	28 TAC §11.2604(b)(22)
Identity of an HMO officer as the HMO's representative for all matters related to the delegation agreement	28 TAC §11.2604(b)(23)
Identity of party who bears the expense of compliance and the cost of any examinations	<ul style="list-style-type: none"> • TIC §1272.052 • 28 TAC §11.2604(b)(24)

FOR ALL REQUIREMENTS RELATING TO DELEGATED ENTITIES, DELEGATED NETWORKS, AND DELEGATED THIRD PARTIES, SEE AT A MINIMUM, TIC CHAPTER 843, TIC CHAPTER 1272, AND 28 TAC CHAPTER 11, SUBCHAPTER AA (§§11.2601 – 11.2612).

If you have questions or require assistance regarding the information provided in this checklist, please call 512-676-6400, select option 8.

NOTICE ABOUT CERTAIN INFORMATION LAWS AND PRACTICES

With few exceptions, you are entitled to be informed about the information that the Texas Department of Insurance (TDI) collects about you. Under sections 552.021 and 552.023 of the Texas Government Code, you have a right to review or receive copies of information about yourself, including private information. However, TDI may withhold information for reasons other than to protect your right to privacy. Under section 559.004 of the Texas Government Code, you are entitled to request that TDI correct information that TDI has about you that is incorrect. For more information about the procedure and costs for obtaining information from TDI or about the procedure for correcting information kept by TDI, please contact the Agency Counsel Section of TDI's General Counsel Division at (512) 676-6551 or visit the Corrections Procedure section of TDI's website at www.tdi.texas.gov.