

EXHIBIT A-2-b
PROVIDER SERVICE NETWORK CERTIFICATION OF OWNERSHIP AND CONTROLLING INTEREST

RESPONDENT'S NAME:

I hereby certify that the Vendor submitting this Reply is a Provider Service Network ("PSN") as defined in Sections 409.962(14) or 409.962(9), Florida Statutes AND as defined in Section 409.912(1) Florida Statutes:

Medicaid: A provider service network is a network established or organized and operated by a health care provider, or group of affiliated health care providers, **which provides a substantial proportion of the health care items and services under a contract** directly through the provider or affiliated group of providers and may make arrangements with physicians or other health care professionals, health care institutions, or any combination of such individuals or institutions to assume all or part of the financial risk on a prospective basis for the provision of basic health services by the physicians, by other health professionals, or through the institutions. The health care providers must have a controlling interest in the governing body of the provider service network organization. Section 409.912(1), Florida Statutes.

Managed Medical Assistance PSN: "Managed Medical Assistance provider service network" means an entity qualified pursuant to Section 409.912(1) of which a **controlling interest is owned by a health care provider, or group of affiliated providers, or a public agency or entity that delivers health services. Health care providers include Florida-licensed health care professionals or licensed health care facilities, federally qualified health care centers, and home health care agencies.** Section 409.962(14), Florida Statutes.

QUALIFYING PROVIDER TYPE AND PROOF OF QUALIFYING OWNERSHIP

Please provide the following additional information.

1. **Do you qualify as a Managed Medical Assistance PSN (Provider Service Network under section 409.962(14) Florida Statutes? (Select one)?**

- Yes
 No

2. **Are you a provider or a group of affiliated providers? (Select one).** "Affiliate" or "affiliated person" means any person who directly or indirectly manages, controls, or oversees the operation of a corporation or other business entity that is a Medicaid provider, regardless of whether such person is a partner, shareholder, owner, officer, director, agent, or employee of the entity. Section 409.901(1), Florida Statutes?

- Provider
 Group of affiliated providers

EXHIBIT A-2-b
PROVIDER SERVICE NETWORK CERTIFICATION OF
OWNERSHIP AND CONTROLLING INTEREST

3. If you have indicated “Provider” in response to item #2, identify (in the field below), the business name of the health care provider with its principal place of business in Florida that has a controlling interest in the governing body of the PSN and the basis for such controlling interest. Provide all of the following: Florida Medicaid Provider Number, Florida License number, FEID #, and NPI #. Provide documentation showing proof of controlling interest. Acceptable documentation includes:

○ **Corporation**

- Articles of Incorporation;
- Bylaws, including Emergency Bylaws;
- Shareholders’ List, arranged by voting group, and within each voting group by class or series of shares, with the address and number of shares held by each shareholder;
- Any voting trusts created by shareholders or an acknowledgment that none exists;
- Any voting agreements created by shareholders or an acknowledgment that none exists;
- Any shareholder agreements or an acknowledgment that none exists;
- The federal, state, and local income tax returns and reports, if any, for the 3 most recent years;
- A list of the names and business street addresses of its current directors and officers; and
- All annual financial statements prepared for the corporation for its last 3 fiscal years, or such shorter period of existence, and any audit or other reports with respect to such financial statements.

○ **Limited Liability Company**

- Articles of organization, or any articles of merger, articles of interest exchange, articles of conversion, and articles of domestication, and other documents and all amendments thereto, concerning the limited liability company that were filed with the department of state, together with executed copies of any powers of attorney pursuant to which any articles of organization or such other documents were executed;
- Statement of Authority or an acknowledgment that none exists;
- Statement of Denial or an acknowledgment that none exists;
- Current List of Members and Managers and their interest in the LLC, including percentage of interest in the profits of the LLC;
- The LLC’s federal, state, and local income tax returns and reports, if any, for the 3 most recent years;
- The financial statements of the limited liability company, if any, for the 3 most recent years.
- Any operating agreements or an acknowledgment that none exists, unless contained in an operating agreement, a record stating the amount of cash and a description and statement of the agreed value of the property or other benefits contributed and agreed to be

EXHIBIT A-2-b

PROVIDER SERVICE NETWORK CERTIFICATION OF OWNERSHIP AND CONTROLLING INTEREST

contributed by each member, and the times at which or occurrence of events upon which additional contributions agreed to be made by each member are to be made.

- **Partnership**
 - Certificate of partnership (initial, amendments, restatements, including any powers of attorney under which any certificate, amendment, or restatement has been signed) or any articles certificate of conversion or merger, together with the plan of conversion or plan of merger approved by the partner;
 - Current list of each partner and their interest in the partnership, including percentage of interest in the profits of the partnership;
 - The partnership's federal, state, and local income tax returns and reports, if any, for the 3 most recent years;
 - The financial statements of the partnership, if any, for the 3 most recent years.
 - Any partnership agreements, amendments, or an acknowledgment that none exists.

To the extent that such health care provider is not the ultimate owner, then identify (in the field below) such owners and the affiliates of such health care provider or group of affiliated health care providers and their ultimate owners, indicating the percentage of such ownership. Please see the Affiliation Criterion to Determine Controlling Interest for Purposes of the SMMC solicitation below.

- 4. If you have indicated “Group of affiliated providers” in response to item #2,** Identify (in the field below), the business name of the group of affiliated health care providers with their principal place of business in Florida that have a controlling interest in the governing body of the PSN and the basis for such controlling interest. Provide all of the following for each member of the group of affiliated providers: Florida Medicaid Provider Number, Florida License number, FEID #, and NPI #. Provide documentation showing proof of controlling interest. Acceptable documentation includes:

- **Corporation**
 - Articles of Incorporation;
 - Bylaws, including Emergency Bylaws;
 - Shareholders' List, arranged by voting group, and within each voting group by class or series of shares, with the address and number of shares held by each shareholder;
 - Any voting trusts created by shareholders or an acknowledgment that none exists;
 - Any voting agreements created by shareholders or an acknowledgment that none exists;

EXHIBIT A-2-b
PROVIDER SERVICE NETWORK CERTIFICATION OF
OWNERSHIP AND CONTROLLING INTEREST

- Any shareholder agreements or an acknowledgment that none exists;
- The federal, state, and local income tax returns and reports, if any, for the 3 most recent years;
- A list of the names and business street addresses of its current directors and officers; and
- All annual financial statements prepared for the corporation for its last 3 fiscal years, or such shorter period of existence, and any audit or other reports with respect to such financial statements.
- **Limited Liability Company**
 - Articles of organization, or any articles of merger, articles of interest exchange, articles of conversion, and articles of domestication, and other documents and all amendments thereto, concerning the limited liability company that were filed with the department of state, together with executed copies of any powers of attorney pursuant to which any articles of organization or such other documents were executed;
 - Statement of Authority or an acknowledgment that none exists;
 - Statement of Denial or an acknowledgment that none exists;
 - Current List of Members and Managers and their interest in the LLC, including percentage of interest in the profits of the LLC;
 - The LLC's federal, state, and local income tax returns and reports, if any, for the 3 most recent years;
 - The financial statements of the limited liability company, if any, for the 3 most recent years; and
 - Any operating agreements or an acknowledgment that none exists, unless contained in an operating agreement, a record stating the amount of cash and a description and statement of the agreed value of the property or other benefits contributed and agreed to be contributed by each member, and the times at which or occurrence of events upon which additional contributions agreed to be made by each member are to be made.
- **Partnership**
 - Certificate of partnership (initial, amendments, restatements, including any powers of attorney under which any certificate, amendment, or restatement has been signed) or any articles certificate of conversion or merger, together with the plan of conversion or plan of merger approved by the partner;
 - Current list of each partner and their interest in the partnership, including percentage of interest in the profits of the partnership;
 - The partnership's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years;
 - The financial statements of the partnership, if any, for the three (3) most recent years; and
 - Any partnership agreements, amendments, or an acknowledgment that none exists.

EXHIBIT A-2-b
PROVIDER SERVICE NETWORK CERTIFICATION OF
OWNERSHIP AND CONTROLLING INTEREST

To the extent that such group of affiliated health care providers identified above is not the ultimate owner, then identify (in the field below) such owners and the affiliates of such health care provider or group of affiliated health care providers and their ultimate owners, indicating the percentage of such ownership. Please see the Affiliation Criterion to Determine Controlling Interest for Purposes of the SMMC solicitation below.

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EXHIBIT A-2-b
PROVIDER SERVICE NETWORK CERTIFICATION OF
OWNERSHIP AND CONTROLLING INTEREST

5. Please indicate the Florida Medicaid Provider type(s) included in the response to item #2. (If you indicated “Group of affiliated providers” in response to Item #2, select as many as apply)

- a) Identify in the field below the provider type description from [Florida Medicaid Enrollment Policy](#), Appendix A, for each provider (if a group of affiliated providers), or for a single provider.

Affiliation Criteria to Determine Controlling Interest for Purposes of the Statewide Medicaid Managed Care Program Solicitation

For purposes of responding to the above, use the following General Principles of Affiliation to determine whether a controlling interest exists.

- *Concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party(ies) controls or has the power to control both. It does not matter whether control is exercised, so long as the power to control exists.*
- *The Department considers factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships, in determining whether affiliation exists.*
- *Control may be affirmative or negative. Negative control includes, but is not limited to, instances where a minority shareholder has the ability, under the concern's charter, by-laws, or shareholder's agreement, to prevent a quorum or otherwise block action by the board of directors or shareholders.*
- *Affiliation may be found where an individual, concern, or entity exercises control indirectly through a third party.*
- *In determining whether affiliation exists, the Department will consider the totality of the circumstances, and may find affiliation even though no single factor is sufficient to constitute affiliation.*
- *Affiliation based on stock ownership.*
- *A person (including any individual, concern or other entity) that owns, or has the power to control, 50 percent or more of a concern's voting stock, or a block of voting stock which is large compared to other outstanding blocks of voting stock, controls or has the power to control the concern.*

EXHIBIT A-2-b
PROVIDER SERVICE NETWORK CERTIFICATION OF
OWNERSHIP AND CONTROLLING INTEREST

- *If two or more persons (including any individual, concern or other entity) each owns, controls, or has the power to control less than 50 percent of a concern's voting stock, and such minority holdings are equal or approximately equal in size, and the aggregate of these minority holdings is large as compared with any other stock holding, the Department presumes that each such person controls or has the power to control the concern whose size is at issue. This presumption may be rebutted by a showing that such control or power to control does not in fact exist.*
- *If a concern's voting stock is widely held and no single block of stock is large as compared with all other stock holdings, the concern's Board of Directors and CEO or President will be deemed to have the power to control the concern in the absence of evidence to the contrary.*
- *Affiliation arising under stock options, convertible securities, and agreements to merge.*
 - *The Department considers stock options, convertible securities, and agreements to merge (including agreements in principle) to have a present effect on the power to control a concern. The Agency treats such options, convertible securities, and agreements as though the rights granted have been exercised.*
 - *Agreements to open or continue negotiations towards the possibility of a merger or a sale of stock at some later date are not considered "agreements in principle" and are thus not given present effect.*
 - *Options, convertible securities, and agreements that are subject to conditions precedent which are incapable of fulfillment, speculative, conjectural, or unenforceable under state or Federal law, or where the probability of the transaction (or exercise of the rights) occurring is shown to be extremely remote, are not given present effect.*
 - *An individual, concern or other entity that controls one or more other concerns cannot use options, convertible securities, or agreements to appear to terminate such control before actually doing so. The Department will not give present effect to individuals', concerns' or other entities' ability to divest all or part of their ownership interest in order to avoid a finding of affiliation.*
- *Affiliation based on common management. Affiliation arises where one or more officers, directors, managing members, or partners who control the board of directors and/or management of one concern also control the board of directors or management of one or more other concerns.*
- *Affiliation based on identity of interest. Affiliation may arise among two or more persons with an identity of interest. Individuals or firms that have identical or substantially identical business or economic interests (such as family members,*

EXHIBIT A-2-b

PROVIDER SERVICE NETWORK CERTIFICATION OF OWNERSHIP AND CONTROLLING INTEREST

individuals or firms with common investments, or firms that are economically dependent through contractual or other relationships) may be treated as one party with such interests aggregated. An individual or firm may rebut that determination with evidence showing that the interests deemed to be one are in fact separate.

- *Firms owned or controlled by married couples, parties to a civil union, parents, children, and siblings are presumed to be affiliated with each other if they conduct business with each other, such as subcontracts or joint ventures or share or provide loans, resources, equipment, locations or employees with one another. This presumption may be overcome by showing a clear line of fracture between the concerns. Other types of familial relationships are not grounds for affiliation on family relationships.*
- *The Department may presume an identity of interest based upon economic dependence if the concern in question derived seventy percent (70%) or more of its receipts from another concern over the previous three fiscal years. This presumption may be rebutted by a showing that despite the contractual relations with another concern, the concern at issue is not solely dependent on that other concern, such as where the concern has been in business for a short amount of time and has only been able to secure a limited number of contracts.*
- *Affiliation based on newly organized concern. Affiliation may arise where former officers, directors, principal stockholders, managing members, or key employees of one concern organize a new concern in the same or related industry or field of operation, and serve as the new concern's officers, directors, principal stockholders, managing members, or key employees, and the one concern is furnishing or will furnish the new concern with contracts, financial or technical assistance, indemnification on bid or performance bonds, and/or other facilities, whether for a fee or otherwise. A concern may rebut such an affiliation determination by demonstrating a clear line of fracture between the two concerns. A "key employee" is an employee who, because of his/her position in the concern, has a critical influence in or substantive control over the operations or management of the concern.*

PROVISION OF A SUBSTANTIAL PROPORTION OF THE HEALTH CARE ITEMS AND SERVICES

6. **Provide a data summary reflecting that the provider or group of affiliated providers included in response to item #2 will provide a substantial proportion of the health care items and services, directly through the provider or affiliated group of providers, under a contract for which a bid has been submitted in response to this ITN. Specifically, the Respondent must address the following:**
 - a. PSN Respondents **currently operating** in the SMMC program must provide the proportion of total CY 2022 claim costs provided by the PSN

EXHIBIT A-2-b

PROVIDER SERVICE NETWORK CERTIFICATION OF OWNERSHIP AND CONTROLLING INTEREST

directly through the provider or affiliated group of providers for members enrolled in its plan by region and SMMC Data Book service category. This calculation can be based on FMMIS encounter data and ASR financial data. Costs for services reimbursed directly by the Agency should be excluded from this calculation. When calculating the proportion of services provided, the Respondent would use the following information:

- i. CY 2022 claim costs for services rendered by the PSN's providers for SMMC enrollees within the PSN's plan by region. This summary must reflect all detailed service categories outlined in the SMMC Data Book.
 - ii. CY 2022 services rendered by all providers (PSN and non-PSN) for SMMC enrollees within their plan by region with similar detail as (i).
 - iii. The percentage of services rendered by the PSN for their members. This calculation must be consistent with the costs from (i) divided by the costs from (ii).

- b. **All** Respondents proposing to operate as a PSN in the SMMC program (i.e. both PSN respondents currently operating in the SMMC program and PSN respondents not currently operating in the SMMC program) must provide the proportion of total claim costs provided directly through the provider or affiliated group of providers that will be a part of the proposed PSN for all SMMC members by region and SMMC Data Book service category using CY 2022 data. When calculating the proportion of services provided, the Respondent would use the following information:
 - i. CY 2022 claim costs for services rendered by the PSN's providers for all SMMC enrollees. This summary must use the Respondent's own claims data and reflect each detailed service category in the SMMC Data Book.
 - ii. CY 2022 services rendered by all providers (PSN and non-PSN) for SMMC enrollees with similar detail as (i). This information is available within the SMMC Data Book.
 - iii. The percentage of services rendered by the PSN for all SMMC members. This calculation must be consistent with the costs from (i) divided by the costs from (ii).

- c. Include a detailed description of the source or sources of data that you relied upon. Data sources should be verifiable, and can include, but are not limited to, audited annual Achieved Savings Rebate submissions, FMMIS encounter data submitted to the Agency for the purposes of rate setting, internal PSN data, and SMMC Data Book data. The

EXHIBIT A-2-b
PROVIDER SERVICE NETWORK CERTIFICATION OF
OWNERSHIP AND CONTROLLING INTEREST

Respondent shall provide the Department with additional information upon request if needed to verify this data.

- d. For PSNs currently operating in the program, data submitted shall be consistent with historical enrollment information included in the vendor's submission of Exhibit A-6, Financial Commitments Template.

The individual that signed the Transmittal Letter, or a person authorized in the Transmittal Letter to sign on behalf of the respondent as required by Attachment A., Instructions and Special Conditions, Section B., Response Preparation and Content, Sub-Section 2., Mandatory Response Content, Item a., Transmittal Letter, shall sign the responses to these requests for additional information above.

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**EXHIBIT A-2-b
PROVIDER SERVICE NETWORK CERTIFICATION OF
OWNERSHIP AND CONTROLLING INTEREST**

I hereby certify that the Vendor submitting this Reply is a Provider Service Network (“PSN”) as defined in Sections 409.962(14) or 409.962(9), Florida Statutes AND as defined in Section 409.912(2)(b) Florida Statutes.

I hereby certify that the Vendor submitting this Reply Is a Provider Service Network (“PSN”) that meets the conditions of ownership outlined in Sections 409.962(14) or 409.962(9), Florida Statutes.

I hereby certify that the Vendor submitting this Reply is a Provider Service Network (“PSN”) and will **provide a substantial proportion of the health care items and services under a contract** directly through the provider or affiliated group of providers included in this exhibit, as required by Section 409.912(2)(b) Florida Statutes:

Signature below indicates the respondent’s full acknowledgement of, understanding of, and agreement with the certification identified above as written and without caveat.

Respondent Name

Authorized Official Signature

Date

Authorized Official Name

Authorized Official Title

Failure to submit Exhibit A-2-b, Provider Service Network Certification of Ownership and Controlling Interest, signed by an authorized official may result in the rejection of response.

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