**Section 240.10 Authority, Scope and Purpose**

a) This Part is promulgated pursuant to the authority granted the Department of Public Health in Sections 2-2(a), 2-2(b) 5-4, 5-5(d) and 5-8 of the Health Maintenance Organization Act (Ill. Rev. Stat. 1987, ch. 111½, pars. 1404(a), 1404(b), 1412, 1413(d) and 1416) for the purpose of regulation and enhancement of Health Maintenance Organizations in Illinois. These regulations apply to certified Health Maintenance Organizations, as well as to applicants for an HMO Certificate of Authority, and are promulgated to carry out the Health Maintenance Organization Act and to facilitate the full and uniform implementation, enforcement and intent of the Act.

b) Pursuant to the Act the Illinois Department of Public Health and the Illinois Department of Insurance have joint responsibility for the regulation of Health Maintenance Organizations (HMOs) in Illinois. All applicants and certified programs are therefore bound by the Health Maintenance Organization rules of the Department of Insurance located at 50 Ill. Adm. Code 6101 as well as this Part. No person shall establish or operate a Health Maintenance Organization without obtaining a Certificate of Authority from the Department of Insurance.

c) These regulations explain the requirements an HMO applicant must satisfy in order for the Department of Public Health to certify to the Department of Insurance that the applicant's proposed plan of operation meets the Department of Public Health requirements. Also included in this Part are the operational, recordkeeping and fee requirements applicable to HMOs.