**RESPONDENT NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

I hereby certify that the Respondent submitting this reply is a Provider Service Network (“PSN”) as defined in sections 409.912(2)(b) and 409.962(14), Florida Statutes, or 409.962(9), Florida Statutes:

A PSN 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 PSN network organization. subsection 409.912(2)(b) (2016), Florida Statutes.

“PSN” means an entity qualified pursuant to section 409.912(2), Florida Statutes 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. Subsection 409.962(14) (2016), Florida Statutes.

Please provide the following additional information.

1. The PSN’s first year of operation:
2. The Department considers the first year of operation to begin on the date that the Respondent was organized. Please provide the articles of incorporation, articles of organization, partnership agreement, certificate of limited partnership, or other formation documentation demonstrating the first year of operation of the PSN.
3. Identify (in the field below) the health care provider or group of affiliated health care providers that have a controlling interest in the governing body of the PSN and the basis for such controlling interest.
4. To the extent that such health care provider or 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 this solicitation below.
5. Provide a detailed explanation (in the field below), with references to documentation and other information required by this section, that demonstrates how the Respondent qualifies under the statutes and requirements of this solicitation to provide services as a PSN providing services as a Managed Care Respondent.
6. 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., Reply Preparation and Content, Sub-Section 2., Mandatory Reply Content, Item a., Transmittal (Cover) Letter, will sign the replies to these requests for additional information above.

**Affiliation Criteria to Determine Controlling Interest for Purposes of the SMMC Solicitation**

1. For purposes of responding to the above, use the following General Principles of Affiliation to determine whether a controlling interest exists.
   1. Concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party or parties controls or has the power to control both. It does not matter whether control is exercised, so long as the power to control exists.
   2. The Department considers factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships, in determining whether affiliation exists.
   3. 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.
   4. Affiliation may be found where an individual, concern, or entity exercises control indirectly through a third party.
   5. 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.
2. Affiliation based on stock ownership.
   1. A person (including any individual, concern or other entity) that owns, or has the power to control, fifty percent (50%) 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.
   2. If two or more persons (including any individual, concern or other entity) each owns, controls, or has the power to control less than fifty percent (50%) 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.
   3. 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.
3. Affiliation arising under stock options, convertible securities, and agreements to merge.
   1. 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 Department treats such options, convertible securities, and agreements as though the rights granted have been exercised.
   2. 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.
   3. 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.
   4. 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.
4. 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.
5. 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, 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.
   1. 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.
   2. 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.
6. 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 reply 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.

**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 Printed Name**

**Authorized Official Title**

**Failure to submit, Exhibit 4, Provider Service Network Certification of Ownership and Controlling Interest, signed by an authorized official may result in the rejection of reply.**