

STATE OF MISSOURI
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGISTRATION



FINAL MARKET CONDUCT EXAMINATION REPORT
Of the Life and Health Business of

Mercy Health Plans
NAIC # 11529

MISSOURI EXAMINATION # 0903-10-TGT

NAIC EXAM TRACKING SYSTEM # MO268-108

August 20, 2010

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FOREWORD

This is a targeted market conduct examination report of Mercy Health Plans (NAIC Code # 11529). This examination was conducted at the offices of the Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP).

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures, products or files does not constitute approval thereof by the DIFP. During this examination, the examiners cited errors made by the Company. Statutory citations were as of the examination period unless otherwise noted.

When used in this report:

- “Company” refers to Mercy Health Plans;
- “Covansys” refers to Covansys (CSC - Computer Sciences Corporation), the claim designee for the Missouri Department of Elementary and Secondary Education (DESE) as described in 20 CSR 400-2.170(4) (C);
- “CPT” refers to the Current Procedural Terminology codes as published by the American Medical Association and used for standardized billing purposes to describe the services and procedures provided by healthcare professionals;
- “CSR” refers to the Missouri Code of State Regulation;
- “HCPCS” refers to the Healthcare Common Procedure Coding System as published by the federal Centers for Medicare & Medicaid Services (CMS) and is used for standardized billing purposes for of medical services, supplies and equipment;
- “DESE” refers to the Missouri Department of Elementary and Secondary Education;

- “DIFP” refers to the Missouri Department of Insurance, Financial Institutions and Professional Registration;
- “Director” refers to the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration;
- “First Steps” refers to Missouri’s early intervention system as eligible for services under Part C of the Individuals with Disabilities Education Act, 20 U.S.C. Section 1431, et seq and §376.1218 RSMo;
- “NAIC” refers to the National Association of Insurance Commissioners; and
- “RSMo” refers to the Revised Statutes of Missouri.

SCOPE OF EXAMINATION

The DIFP has authority to conduct this examination pursuant to, but not limited to, §§374.110, 374.190, 374.205, 375.445, 375.938, 375.1009, RSMo.

The purpose of this examination was to determine if the Company complied with Missouri statutes and DIFP regulations pursuant to Missouri's First Steps program. The primary period covered by this review is January 1, 2006, through December 31, 2008, unless otherwise noted. Errors outside of this time period discovered during the course of the examination, however, may also be included in the report.

The examination was a targeted examination involving the following business functions and lines of business: Equitable claim payments for Early Childhood Intervention Services, "First Steps."

The examination was conducted in accordance with the standards in the NAIC's Market Regulation Handbook. As such, the examiners utilized the benchmark error rate guidelines from the Market Regulation Handbook when conducting reviews that applied a general business practice standard. The NAIC benchmark error rate for claims practices is seven percent (7%), for electronically submitted health claims is five percent (5%), and ten percent (10%) for other trade practices. Error rates exceeding these benchmarks are presumed to indicate a general business practice contrary to the law. The benchmark error rates were not utilized, however, for reviews not applying the general business practice standard.

In performing this examination, the examiners only reviewed a sample of the Company's practices, procedures, products and files related to First Steps claims. Therefore, some noncompliant practices, procedures, products and files may not have been discovered. As such, this report may not fully reflect all of the practices and procedures of the Company. As indicated previously, failure to identify or criticize improper or noncompliant business practices in this state or other jurisdictions does not constitute acceptance of such practices.

COMPANY PROFILE

The Company is licensed by the DIFP under Chapter 376, RSMo, to write Accident and Health business as set forth in its Certificate of Authority. The following information was obtained by the examiners from the Company's web site at:

<http://www.mercyhealthplans.com/about/default.aspx>

“Rooted in the mission of Jesus and the healing ministry of the Church, and faithful to Catherine McAuley's service tradition marked by justice, excellence, stewardship and respect for the dignity of each person, Mercy Health Plans, a member of the Sisters of Mercy Health System, implements and advocates for innovative health and social services to improve the health and quality of life of the communities served, with particular concern for persons who are economically poor. In doing so, we make a difference by touching the lives of those we serve with compassion and exceptional Mercy service.

“As part of the Mercy Health Ministry, we honor our Catholic identity and remain faithful to the Church's moral and religious teachings.”

EXECUTIVE SUMMARY

The DIFP conducted a series of targeted market conduct examinations of fourteen insurance companies providing First Steps benefits. For Mercy Health Plans, the examiners found the following principal areas of concern:

- The Company improperly denied 162 First Steps claims.
- The overall error ratio was 7%.

The insurance coverage mandate for First Steps began on January 1, 2006. This is the first examination targeting First Steps benefits and claim payments.

Examiners requested that the Company make refunds concerning claim underpayments found for amounts greater than \$5.00 during the examination. The Company is directed to take immediate corrective action to demonstrate its ability and intention to conduct business according to the Missouri insurance laws and regulations. When applicable, corrective action for other jurisdictions should be addressed.

This market conduct examination was performed as a desk audit at the DIFP offices:

HST State Office Building
301 W. High Street
Jefferson City, MO 65101

EXAMINATION FINDINGS

I. UNDERWRITING AND RATING PRACTICES

The examiners reviewed the Company's forms filed by or on behalf of the Company with the DIFP.

An error can include, but is not limited to, any miscalculation of the premium based on the information in the file, an improper acceptance or rejection of an application, the misapplication of the Company's underwriting guidelines, incomplete file information preventing the examiners from readily ascertaining the Company's rating and underwriting practices, and any other activity indicating a failure to comply with Missouri statutes and regulations.

A. Forms and Filings

The examiners reviewed the Company's policy and contract forms to determine its compliance with filing, approval, and content requirements to ensure that the contract language is not ambiguous or misleading and is adequate to protect those insured.

The examiners discovered no issues or concerns.

II. CLAIMS PRACTICES

This section of the report is designed to provide a review of the Company's claims handling practices. Examiners reviewed how the Company handled claims to determine the timeliness of handling, accuracy of payment, adherence to contract provisions, and compliance with Missouri statutes and regulations.

To minimize the duration of the examination, while still achieving an accurate evaluation of claim practices, the examiners reviewed a sampling of the claims processed. The examiners requested a listing of claims paid and claims closed without payment during the examination period for the line of business under review. The review consisted of claims from First Steps providers with a date of closing from January 1, 2006, through December 31, 2008.

A. Unfair Settlement and General Handling Practices

Examiners reviewed the Company's claim handling processes to determine compliance with contract provisions, adherence to unfair claims statutes and regulations and compliance with First Steps statutes and regulations. Whenever a claim file reflected that the Company failed to meet these standards, the examiners cited the Company for noncompliance.

The examiners reviewed denied claims for adherence to Missouri's First Steps mandated benefit. For the following reviews, the examiners eliminated claims that were subsequently paid and those that did not involved the parameters specified. They reviewed records to determine that the Company's claims process is fair, reasonable, prompt and equitable according to the laws and regulations of Missouri.

The examiners asked for the computer processing specifications that control the requirements and payment levels for handling claims. The Company provided information and contracts related to claims clearinghouses and claim processing procedures.

Field Size:	2,214 total 1,454 claims incurred pre-8/28/2007 760 claims incurred post-8/28/2007
Number of Errors:	162 total 97 claims incurred pre-8/28/2007 60 claims incurred post-8/28/2007
Percent of Errors:	7% overall 6.6% of claims incurred pre-8/28/2007 7.9% of claims incurred post-8/28/2007
Within Dept. Guidelines:	Yes, overall and for claims incurred pre-8/28/2007 No for claims incurred post-8/28/2007

The examiners noted the following exceptions during their review:

1. Improperly Denied Claims

A. Files indicate that the Company wrongfully denied claims that, according to reasons provided by Company, were improperly coded. These claims contained a denial code of "AA030," "DXNC," "GLOBL," "XSERV." The codes represent "Separate procedure-payment included with major service", "Treatment for this diagnosis is not covered by pln", "Pending breakdown of OB charges" and "Possible excluded service. Requires review." Such codes represent a determination of medical necessity or diagnosis.

Reference: §376.1218.4, RSMo, and 20 CSR 400-2.170(4)(C)3.C

The 102 claims applicable to this error are found in Appendix A. The 5 claims applicable to code "AA030" are found in Appendix B. The claims containing these denial codes have been re-processed and paid by the Company.

B. The Company underwent a change in their claims system during the examination period. Files indicate that the Company denied 20 claims because of "claims check edits: 801, 828, 826, 829, 809" and 203. The Company indicates that "claim check edits" are not specific to any

denial of service or benefit. The Company stated "these edits will be disabled and the claims will be reprocessed and paid."

Reference: §§376.383.9, and 376.1218.5, RSMo, and 20 CSR 400-2.170(4)(B)

The 20 claims applicable to this error are found in Appendix B. The Company has proceeded as stated.

C. Examiners discovered that payments for 35 files were wrongfully denied because the Company felt the charges exceeded the First Steps provider Medicaid rate published by DESE or because the CPT or HCPCS code was not disclosed or priced by DESE. The Company initially denied such claims with a code of 809, 150 or CODES to describe the non-payment of CPT "E1399" or certain HCPCS "L" codes. Therefore, the Company did not pay these claims at the applicable Medicaid Rate.

As advised by DESE and Mo HealthNet, the applicable Medicaid rate and applicable provider manuals are related to the HCY/EPSTDT program and discussed in 13 CSR 70-70.010.

Subsection (5) of this regulation states "Reimbursement. Payment will be made in accordance with the fee per unit of service as defined and determined by the MO HealthNet Division." The Mo HealthNet Therapy Manual indicates that POS codes may "have a higher...maximum allowable amount."

Reference: §§160.900, 208.144, 376.1218.4 and .5, RSMo, and 20 CSR 400-2.170(3)(B) and (4)(E)

The 30 claims applicable to this error are found in Appendix C. These claims have been reprocessed and paid by the Company.

III. CRITICISMS AND FORMAL REQUESTS TIME STUDY

This study is based upon the time required by the Company to provide the examiners with the requested material or to respond to criticisms. Missouri law requires companies to respond to criticisms and formal requests within 10 calendar days. Please note that in the event an extension was requested by the Company and granted by the examiners, the response was deemed timely if it was received within the time frame granted by the examiners. If the response was not received within that time period, the response was not considered timely.

A. Criticism Time Study

Calendar Days	Number of Criticisms	Percentage
Received w/in time-limit, incl. any extensions	1	100%
Received outside time-limit, incl. any extensions	0	0 %
No Response	0	0%
Total	1	100 %

Reference: §374.205.2(2), RSMo, and 20 CSR 100-8.040

B. Formal Request Time Study

Calendar Days	Number of Requests	Percentage
Received w/in time-limit, incl. any extensions	7	100%
Received outside time-limit, incl. any extensions	0	0 %
No Response	0	0%
Total	7	100 %

Reference: §374.205.2(2), RSMo, and 20 CSR 100-8.040

EXAMINATION REPORT SUBMISSION

Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Mercy Health Plans (NAIC #11529), Examination Number 0903-10-TGT. This examination was conducted by John S. Korte, E. Jack Baldwin, John T. Clubb, Mike Woolbright, and David Pierce. The findings in the Final Report were extracted from the Market Conduct Examiner's Draft Report, dated May 27, 2010. Any changes from the text of the Market Conduct Examiner's Draft Report reflected in this Final Report were made by the Chief Market Conduct Examiner or with the Chief Market Conduct Examiner's approval. This Final Report has been reviewed and approved by the undersigned.



Jim Mealer
Chief Market Conduct Examiner

8/20/2010

Date

ClinNo	BillAmt	ResCode	ResCodeCat	Comments	Reprocessed PAID DATE	AMOUNT PAID	Comments
1	002007000578969A	\$65.00	GOBL	NC	Manually denied Global???	9/29/2009	\$65.00
2	0020070005791001	\$50.00	XSERV	NC	documented	9/29/2009	PAID ON A CLAIM
3	0020070005791111	\$50.00	XSERV	NC	documented	9/29/2009	PAID ON A CLAIM
4	0020070005791111	\$50.00	XSERV	NC	documented	9/29/2009	PAID ON A CLAIM
5	0020070005792591	\$50.00	XSERV	NC	documented	9/29/2009	PAID ON A CLAIM
6	0020070005792611	\$50.00	XSERV	NC	documented	9/29/2009	PAID ON A CLAIM
7	0020070005792651	\$50.00	XSERV	NC	documented	9/29/2009	PAID ON A CLAIM
8	0020070005792681	\$50.00	XSERV	NC	documented	9/29/2009	PAID ON A CLAIM
9	0020070005792711	\$50.00	XSERV	NC	documented	9/29/2009	PAID ON A CLAIM
10	0020070026472401	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	PAID ON A CLAIM
11	0020070026472411	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	PAID ON A CLAIM - \$50 APPLIED TO DEDUCTIBLE
12	0020070026472421	\$12.50	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	PAID ON A CLAIM - \$12.50 APPLIED TO DEDUCTIBLE
13	0020070026472431	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	PAID ON A CLAIM - \$31 APPLIED TO DEDUCTIBLE
14	0020070026472441	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	\$50.00
15	0020070026472451	\$12.50	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	\$12.50
16	0020070026472461	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	\$50.00
17	0020070026472471	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	\$50.00
18	0020070026472481	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	\$50.00
19	0020070026472491	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	\$50.00
20	0020070026472501	\$50.00	DXNC	NC	Diagnosis not covered 315.9	9/29/2009	\$50.00
21	0020070037789191	\$100.00	XSERV	NC	documented	9/29/2009	\$100.00
22	0020070037789381	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
23	0020070037789391	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
24	0020070037789561	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
25	0020070037789571	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
26	0020070037789721	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
27	0020070037789731	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
28	0020070037789741	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
29	0020070037789771	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
30	0020070037789951	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
31	0020070037789961	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
32	0020070037790111	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
33	0020070037790151	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
34	0020070037790181	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
35	0020070037790191	\$50.00	XSERV	NC	documented	9/29/2009	ANNUAL LIMIT EXHAUSTED
36	0020070037790321	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00
37	0020070037791801	\$30.00	XSERV	NC	documented	9/29/2009	\$6 COPAY
38	0020070037791871	\$30.00	XSERV	NC	documented	9/29/2009	\$6 COPAY
39	0020070037791881	\$20.00	XSERV	NC	documented	9/29/2009	\$4.00 COPAY
40	0020070037792011	\$20.00	XSERV	NC	documented	9/29/2009	\$4.00 COPAY

	CmNo	BillAmt	ResCode	ResCodeCat	Comments	Reprocessed PAID DATE	AMOUNT PAID	Comments
41	0020070037792021	\$20.00	XSERV	NC	documented	9/29/2009	\$16.00	\$4.00 COPAY
42	0020070037792031	\$20.00	XSERV	NC	documented	9/29/2009	\$16.00	\$4.00 COPAY
43	0020070037792041	\$20.00	XSERV	NC	documented	9/29/2009	\$16.00	\$4.00 COPAY
44	0020070037792151	\$20.00	XSERV	NC	documented	9/29/2009	\$16.00	\$4.00 COPAY
45	0020070037792161	\$20.00	XSERV	NC	documented	9/29/2009	\$16.00	\$4.00 COPAY
46	0020070037792171	\$20.00	XSERV	NC	documented	9/29/2009	\$16.00	\$4.00 COPAY
47	0020070037792181	\$20.00	XSERV	NC	documented	9/29/2009	\$16.00	\$4.00 COPAY
48	0020070037792191	\$20.00	XSERV	NC	documented	9/29/2009	\$16.00	\$4.00 COPAY
49	0020070037793811	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
50	0020070037793821	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
51	0020070037793831	\$50.00	XSERV	NC	documented	9/29/2009	\$0.00	\$50 APPLIED TO DEDUCTIBLE
52	0020070037793851	\$50.00	XSERV	NC	documented	9/29/2009	\$0.00	\$50 APPLIED TO DEDUCTIBLE
53	0020070037794221	\$50.00	XSERV	NC	documented	9/29/2009	\$0.00	\$50 APPLIED TO DEDUCTIBLE
54	0020070037794231	\$50.00	XSERV	NC	documented	9/29/2009	\$0.00	\$50 APPLIED TO DEDUCTIBLE
55	0020070037794241	\$50.00	XSERV	NC	documented	9/29/2009	\$0.00	\$50 APPLIED TO DEDUCTIBLE
56	0020070037794261	\$50.00	XSERV	NC	documented	9/29/2009	\$0.00	\$50 APPLIED TO DEDUCTIBLE
57	0020070037794281	\$50.00	XSERV	NC	documented	9/29/2009	\$0.00	\$50 APPLIED TO DEDUCTIBLE
58	0020070037794291	\$50.00	XSERV	NC	documented	9/29/2009	\$37.50	\$12.50 APPLIED TO DEDUCTIBLE
59	0020070037794301	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
60	0020070037794331	\$12.50	XSERV	NC	documented	9/29/2009	\$12.50	
61	0020070037794341	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
62	0020070037794351	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
63	0020070037794391	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
64	0020070037794401	\$12.50	XSERV	NC	documented	9/29/2009	\$12.50	
65	0020070037794441	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
66	0020070037794531	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
67	0020070037794581	\$12.50	XSERV	NC	documented	9/29/2009	\$12.50	
68	0020070037794621	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
69	0020070037794641	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
70	0020070037794701	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
71	0020070037794711	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
72	0020070037794721	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
73	0020070037796201	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
74	0020070037796211	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
75	0020070037796261	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
76	0020070037796271	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
77	0020070037796281	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
78	0020070037796291	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
79	0020070037796301	\$50.00	XSERV	NC	documented	9/29/2009	\$50.00	
80	0020080011434881	\$25.00	AA030	NC	Denied AA030	9/29/2009	\$20.00	\$5 COPAY

	ClmNo	BillAmt	ResCode	ResCodeCat	Comments	Reprocessed PAID DATE	AMOUNT PAID	Comments
81	0020080011434901	\$25.00	AA030	NC	Denied AA030	9/29/2009	\$20.00	\$5 COPAY
82	0020080011434931	\$13.00	AA030	NC	Denied AA030	9/29/2009	\$10.40	\$2.60 COPAY
83	0020080011435021	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$40.00	\$10 COPAY
84	0020080011435111	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$40.00	\$10 COPAY
85	0020080011435171	\$12.50	AA030	NC	Denied AA030	9/29/2009	\$0.00	\$12.50 APPLIED TO DEDUCTIBLE
86	0020080011436511	\$13.00	AA030	NC	Denied AA030	9/29/2009	\$13.00	
87	0020080011436521	\$13.00	AA030	NC	Denied AA030	9/29/2009	\$13.00	
88	0020080011436581	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$50.00	
89	0020080015384391	\$62.50	AA030	NC	Denied AA030	9/29/2009	\$0.00	ANNUAL LIMIT EXHAUSTED
90	0020080015384411	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$0.00	ANNUAL LIMIT EXHAUSTED
91	0020080015384981	\$25.00	AA030	NC	Denied AA030	9/29/2009	\$0.00	\$25 APPLIED TO DEDUCTIBLE
92	0020080015385011	\$25.00	AA030	NC	Denied AA030	9/29/2009	\$0.00	\$25 APPLIED TO DEDUCTIBLE
93	0020080015385121	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$40.00	\$10 COPAY
94	0020080015385151	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$0.00	\$50 APPLIED TO DEDUCTIBLE
95	0020080015386201	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$50.00	
96	0020080015386221	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$50.00	
97	0020080018012771	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$0.00	ANNUAL LIMIT EXHAUSTED
98	0020080018013501	\$25.00	AA030	NC	Denied AA030	9/29/2009	\$0.00	\$25 APPLIED TO DEDUCTIBLE
99	0020080021890601	\$25.00	AA030	NC	Denied AA030	9/29/2009	\$1.20	\$23.50 APPLIED TO DEDUCTIBLE AND .30 COPAY
100	0020080021890611	\$25.00	AA030	NC	Denied AA030	9/29/2009	\$20.00	\$5 COPAY
101	0020080021890691	\$26.00	AA030	NC	Denied AA030	9/29/2009	\$20.80	\$5.20 COPAY
102	0020080021890791	\$50.00	AA030	NC	Denied AA030	9/29/2009	\$40.00	\$10 COPAY
							\$2,657.90	

	ClimNo	BillAmt	ClimIncDt	ClimSts	ResCode	Comments	Reprocessed PAID DATE	AMOUNT PAID
1	08327E03459	\$13.00	20080905	DENIED	801	Denied edit 801	10/14/2009	\$10.40
2	08327E03563	\$13.00	20080911	DENIED	801	Denied edit 801	10/28/2009	
3	08327E03564	\$13.00	20080911	DENIED	801	Denied edit 801	10/14/2009	\$13.00
4	08354E03092	\$13.00	20081014	DENIED	801	Denied edit 801	10/14/2009	\$10.40
5	08354E03094	\$52.00	20081028	DENIED	801	Denied edit 801	10/14/2009	\$41.60
6	08354E03101	\$13.00	20081014	DENIED	801	Denied edit 801	10/28/2009	
7	08296E05594	\$12.50	20080806	DENIED	801	Denied edit 801	10/14/2009	\$8.75
8	08296E05599	\$50.00	20080813	DENIED	801	Denied edit 801	10/14/2009	\$35.00
9	08354E03156	\$50.00	20081008	DENIED	801	Denied edit 801	10/14/2009	\$35.00
10	08354E03164	\$50.00	20081015	DENIED	801	Denied Edit 801	10/14/2009	\$35.00
11	0020080011436601	\$50.00	20080213	DENIED	AA030	Denied AA030	10/27/2009	\$13.00
12	08327E03713	\$13.00	20080929	DENIED	801	Denied edit 801	10/14/2009	\$13.00
13	08354E03362	\$13.00	20081020	DENIED	801	Denied Edit 801	10/14/2009	\$13.00
14	0020080005180491	\$50.00	20071129	DENIED	AA030	Denied AA030	10/28/2009	\$40.00
15	08255E14985	\$25.00	20080603	DENIED	801	Denied edit 801	10/14/2009	\$20.00
16	08260E03998	\$50.00	20080701	DENIED	801	Denied edit 801	10/14/2009	\$40.00
17	08260E03999	\$25.00	20080715	DENIED	801	Denied edit 801	10/14/2009	\$20.00
18	08260E04001	\$50.00	20080703	DENIED	801	Denied edit 801	10/14/2009	\$50.00
19	08260E04003	\$50.00	20080715	DENIED	801	Denied edit 801	10/14/2009	\$50.00
20	08296E05641	\$25.00	20080805	DENIED	801	Denied edit 801	10/14/2009	\$20.00
21	08327E03548	\$13.00	20080904	DENIED	801	Denied edit 801	10/14/2009	\$13.00
22	08327E03557	\$50.00	20080925	DENIED	801	Denied edit 801	10/14/2009	\$50.00
23	0020080005099921	\$50.00	20071001	DENIED	AA030	Denied AA030	10/27/2009	\$0.00
24	0020080011433121	\$25.00	20080107	DENIED	AA030	Denied AA030	10/27/2009	\$0.00
25	0020080011433201	\$12.50	20080128	DENIED	AA030	Denied AA030	10/27/2009	\$0.00
								\$531.15

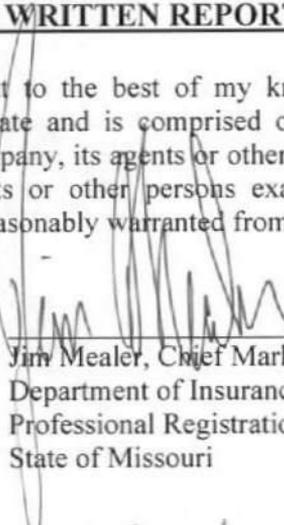
	CoCode	LINE NUMBER	ClmNo	Adjusted Claim #2	ResCode	Result in Test environment MDE2/Diamond2
1	11529	490	08255E15071	08255E15071A2	809	Pend edit 809 (lacks information needed for adjudication)
2	11529	513	08260E04069	08260E04069A2	809	Pend edit 809 (lacks information needed for adjudication)
3	11529	514	08260E04070	08260E04070A2	809	Pend edit 809 (lacks information needed for adjudication)
4	11529	515	08260E04071	08260E04071A2	809	Pend edit 809 (lacks information needed for adjudication)
5	11529	516	08260E04073	08260E04073A2	809	Pend edit 809 (lacks information needed for adjudication)
6	11529	517	08260E04074	08260E04074A2	809	Pend edit 809 (lacks information needed for adjudication)
7	11529	518	08260E04075	08260E04075A2	809	Pend edit 809 (lacks information needed for adjudication)
8	11529	519	08260E04076	08260E04076A2	809	Pend edit 809 (lacks information needed for adjudication)
9	11529	520	08260E04078	08260E04078A2	809	Pend edit 809 (lacks information needed for adjudication)
10	11529	521	08260E04079	08260E04079A2	809	Pend edit 809 (lacks information needed for adjudication)
11	11529	522	08260E04080	08260E04080A2	809	Pend edit 809 (lacks information needed for adjudication)
12	11529	523	08260E04081	08260E04081A2	809	Pend edit 809 (lacks information needed for adjudication)
13	11529	544	08244E00049	08244E00049A2	829	Pend for 150 No contract term found for L1960
14	11529	545	08244E00049	08244E00049A2	826	Pend for 150 No contract term found for L1960
15	11529	567	08244E00049	08244E00049A2	203	Pend for 150 No contract term found for L1960
16	11529	572	0020080011450831	20080011450831	CODES	(blank)
17	11529	573	0020080011451011	20080011451011	CODES	(blank)
18	11529	574	0020080011451191	20080011451191	CODES	(blank)
19	11529	575	0020080011811061	20080011811061	NOPRC	(blank)
20	11529	584	0020070005791891	2007000579189A	XSERV	Billed equals allowed
21	11529	585	002007000579189A	2007000579189A	SPCOD	(blank)
22	11529	597	08296E05758	08296E05758A2	915	Pend for 150 No contract term for L3060
23	11529	598	0020080011487661	20080011487661	NOPRC	(blank)
24	11529	599	08255E15065	08255E15065A2	150	Pend Edit 150 (Non-covered charge) E1399
25	11529	600	08255E15067	08255E15067A2	150	Pend Edit 150 (Non-covered charge) E1399
26	11529	601	08255E15070	08255E15070A2	150	Pend Edit 150 (Non-covered charge) E1399
27	11529	602	08260E04077	08260E04077A2	150	Pend Edit 150 (Non-covered charge) E1399
28	11529	603	0020070037789921	20070037789921	SPCOD	(blank)
29	11529	604	0020070037789931	20070037789931	SPCOD	(blank)
30	11529	605	0020080011450641	20080011450641	CODES	(blank)

	Comments6	Adjusted Claim Paid2	Sum of Amount Paid3	Sum of Member Resp2
1	Member's maximum benefit met	12/22/2008	\$ -	\$ 397.00
2	Member's maximum benefit met	12/22/2009	\$ -	\$ 1,376.25
3	Member's maximum benefit met	12/22/2009	\$ -	\$ 488.75
4	Member's maximum benefit met	12/22/2009	\$ -	\$ 1,912.45
5	Member's maximum benefit met	12/22/2009	\$ -	\$ 172.45
6	Member's maximum benefit met	12/22/2009	\$ -	\$ 293.75
7	Reprocessing as of 12/18/09	11/18/2009	\$ -	
8	Member's maximum benefit met	12/22/2009	\$ -	\$ 163.75
9	Member's maximum benefit met	12/22/2009	\$ -	\$ 244.95
10	Member's maximum benefit met	12/22/2009	\$ -	\$ 137.45
11	Member's maximum benefit met	12/22/2009	\$ -	\$ 117.45
12	Member's maximum benefit met	12/22/2009	\$ -	\$ 462.45
13	DUPLICATE OF 567	11/11/2009	\$ -	
14	DUPLICATE OF 567	11/11/2009	\$ -	
15	Paid Billed Charges; no copay	12/22/2009	\$ 1,170.00	\$ -
16	Paid Billed Charges; no copay	12/22/2009	\$ 89.00	\$ -
17	Paid Billed Charges; no copay	12/22/2009	\$ 868.00	\$ -
18	Paid Billed Charges; no copay	12/22/2009	\$ 98.00	\$ -
19	Paid Billed Charges; no copay	12/22/2009	\$ 611.00	\$ -
20			\$ 150.00	\$ -
21	Paid Billed Charges; no copay	12/22/2009	\$ 315.00	\$ -
22	Paid Billed Charges; no copay	12/22/2009	\$ 67.00	\$ -
23	Paid Billed Charges; no copay	12/22/2009	\$ 315.00	\$ -
24	Member's maximum benefit met	12/22/2009	\$ -	\$ 15.75
25	Member's maximum benefit met	12/22/2009	\$ -	\$ 71.85
26	Member's maximum benefit met	12/22/2009	\$ -	\$ 70.76
27	Member's maximum benefit met	12/22/2009	\$ -	\$ 82.45
28	Paid Billed Charges; no copay	12/22/2009	\$ 509.92	\$ -
29	Paid Billed Charges; no copay	12/22/2009	\$ 196.59	\$ -
30	Paid Billed Charges; no copay	12/22/2009	\$ 32.77	\$ -
			\$ 4,422.28	

STATE OF Missouri)
COUNTY OF Cole)

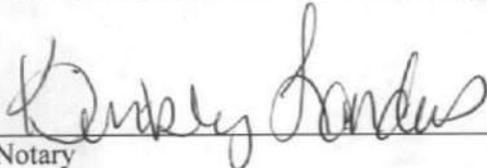
VERIFICATION OF WRITTEN REPORT OF EXAMINATION

I, Jim Mealer, on my oath swear that to the best of my knowledge and belief, the attached Final Examination Report is true and accurate and is comprised of only facts appearing upon the books, records, or other documents of the Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs, and such conclusions and recommendations as reasonably warranted from the facts.



Jim Mealer, Chief Market Conduct Examiner
Department of Insurance, Financial Institutions &
Professional Registration,
State of Missouri

Sworn to and subscribed before me this 20th day of August, 2010.



Notary

(Seal)

My commission expires:

