

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI**

In Re:)
)
GOOD HEALTH HMO, INC.) **Market Conduct Exam No. 1308-21-TGT**
d/b/a BLUE CARE (NAIC #95315))

ORDER OF THE DIRECTOR

NOW, on this 28th day of DECEMBER, 2016, Director John M. Huff, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division") and Good Health HMO, Inc. d/b/a Blue Care (NAIC #95315) (hereafter "Good Health"), relating to the market conduct examination set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.205.2(5) RSMo 2000, §374.280 RSMo (Cum. Supp. 2013) and §374.046.15. RSMo (Cum. Supp. 2013), is in the public interest.

IT IS THEREFORE ORDERED that Good Health and the Division of Insurance Market Regulation having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Good Health shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place Good Health in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 28th day of December, 2016.



John M. Huff
Director

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI**

In Re:

GOOD HEALTH HMO, INC.

d/b/a BLUE CARE (NAIC #95315)

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Market Conduct Exam No. 1308-21-TGT

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Good Health HMO, Inc. d/b/a Blue Care (NAIC #95315 (hereinafter “Good Health”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereinafter, “the Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri;

WHEREAS, Good Health has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a Market Conduct Examination of Good Health and prepared report number 1308-21-TGT; and

WHEREAS, the Market Conduct Examination report of Good Health revealed that:

1. In eight (8) instances, Good Health issued certificates that improperly excluded coverage for medically necessary cranial remodeling devices and subsequently denied claims for these benefits in violation of §376.406.2, RSMo Supp. 2013, §375.1007 (4)¹, and §375.1005.
2. In three (3) instances, Good Health failed to process and pay mental health benefit claims in a timely manner upon completion of the appeal process in violation of §375.1007 (3)

¹ All references, unless otherwise noted, are the Missouri Revised Statutes 2000, as amended.

and (4).

3. In processing eleven (11) claims for seven (7) members, Good Health inappropriately charged coinsurance for mental health benefit claims in violation of §375.1007 (3) and (4). In addition, Good Health disclosed that it had identified additional instances in which coinsurance was inaccurately charged for claims involving other benefits.

WHEREAS, the Division and Good Health have agreed to resolve the issues raised in the Market Conduct Examination Report as follows:

A. Scope of Agreement. This Stipulation of Settlement embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. Remedial Action. Good Health agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times, to reasonably assure that the errors noted in the above-referenced Market Conduct Examination Report do not recur. Such remedial actions shall include, but not be limited to, the following:

1. Good Health agrees to modify the benefit language in its policies related to cranial remodeling devices to conform to the requirements set forth in §376.406.2, RSMo Supp. 2013.

2. Good Health agrees to develop a process to confirm that vendor-related appeal determinations are re-adjudicated in a timely manner.

3. Good Health agrees to review all cranial remodeling device claims submitted by

members from January 1, 2013 to the date of the Order closing this examination, that were denied based upon the exclusionary provision of the member's certificate. For the members whose cranial remodeling claims were improperly denied, the Company agrees to reprocess and pay all cranial remodeling device claims and include interest at the rate of 9% per annum as required by Section 408.020 unless the member is covered under a health plan subject to ERISA. A letter must be mailed to the member, indicating that "as a result of a Missouri Market Conduct Examination," it was found that a payment was due. Company agrees to take all necessary steps to ensure that the provider reimburses the member if the member is due a refund from the provider.

4. Good Health agrees to implement a process which prohibits imposing co-insurance charges on mental health benefit claims and other claims which are inconsistent with the member's certificate. In addition, if Good Health discovers improper cost-sharing is being applied to claims due to benefit loading errors, Good Health agrees to re-adjudicate the claims and include applicable interest.

C. **Compliance.** Good Health agrees to file documentation with the Division within 90 days of the entry of a final order of all remedial action taken to implement compliance with the terms of this Stipulation and to document all refunds and payments required to be made under this Stipulation, including refund payments made by Good Health to providers or to members and refund payments made by providers to members.

D. **Other Penalties.** The Division agrees that it will not seek penalties against Good Health for the conduct found in Market Conduct Examination No. 1308-21-TGT.

E. **Waivers.** Good Health, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice

and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the above referenced Market Conduct Examination.

F. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Good Health.


G. **Governing Law.** This Stipulation of Settlement shall be governed and construed in accordance with the laws of the State of Missouri.

H. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation of Settlement, on behalf of the Division and Good Health respectively.

I. **Effect of Stipulation.** This Stipulation of Settlement shall not become effective until entry of a Final Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.


J. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation of Settlement and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 12-27-16



Angela L. Nelson
Director, Division of Insurance
Market Regulation

DATED: 12/27/16



Stewart Freilich
Senior Regulatory Affairs Counsel
Division of Insurance Market Regulation

DATED: 12/23/16

Danette Wil
Danette Wilson
President and CEO
Good Health HMO, Inc.
d/b/a Blue Care