



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

In Re:

BLUE CROSS AND BLUE SHIELD OF
KANSAS CITY (NAIC #47171)

Market Conduct Investigation No. 404374

ORDER OF THE DIRECTOR

NOW, on this 25th day of November, 2025, Director Angela L. Nelson, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division") and Blue Cross and Blue Shield of Kansas City (NAIC #47171) (hereinafter "Blue KC"), relating to the market conduct investigation no. 404374, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 RSMo, is in the public interest.

IT IS THEREFORE ORDERED that the Director does hereby approve the Stipulation as agreed to by Blue KC and the Division.

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

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

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 25th day of November, 2025.





Angela L. Nelson
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

<i>In Re:</i>)	
)	
BLUE CROSS AND BLUE SHIELD)	Market Conduct Investigation No. 404374
OF KANSAS CITY)	
(NAIC # 47171))	
)	

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Blue Cross and Blue Shield of Kansas City (hereinafter “Blue KC”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (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 of Missouri;

WHEREAS, Blue KC 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 investigation of Blue KC, Investigation No. 404374; and

WHEREAS, based on the market conduct investigation of Blue KC, the Division alleges that:

1. In three claims, Blue KC did not implement reasonable standards for the prompt investigation and settlement of claims arising under its policies, implicating the provisions of § 375.1007(3)¹.

2. In four claims, Blue KC misrepresented to claimants relevant fact or policy provisions

¹All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri.

related to the coverage at issue, implicating the provisions of § 375.1007(1).

3. In three first-level grievance files, Blue KC did not send acknowledgment receipt of grievance in writing within ten working days, in violation of § 376.1382.2(1).

4. In two first-level grievance files, Blue KC did not notify the enrollee on or before the twentieth working day that the investigation of the grievance would take additional time, in violation of § 376.1382.2(2).

5. In two second-level grievance files, Blue KC did not send an acknowledgement receipt of grievance in writing within ten working days, in violation of §§ 376.1382.2(1) and 376.1385.3.

WHEREAS, the Division and Blue KC have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement (hereinafter “Stipulation”) embodies the entire agreement and understanding of the Division and Blue KC and 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.** Blue KC 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. Such remedial actions shall include the following:

1) To the extent that it has not already been done, Blue KC agrees to reprocess the three claims identified in Finding 1 and four claims identified in Finding 2 and issue payment to the members for the reprocessed claims according to covered benefits, together with payment of interest calculated pursuant to § 374.191. Any payment issued shall be accompanied by a letter including pertinent information in a manner approved by the Division, and stating that, as a result of a Missouri Market Conduct Investigation, it was determined that a payment was owed. A copy

of the additional payment and letter of explanation will be provided to the Division within 60 days of the date of the Order approving this Stipulation (hereinafter “Order”).

2) Blue KC agrees to conduct a review of colonoscopy claims from October 1, 2022, through the date of the Order to determine if benefits were correctly applied. For any claims in which benefits were incorrectly applied that resulted in an underpayment, Blue KC shall reprocess the claims and pay to the members benefits plus interest in an amount determined pursuant to § 374.191. Any payment issued shall be accompanied by a letter including pertinent information in a manner approved by the Division, and stating that, as a result of a Missouri Market Conduct Investigation, it was determined that a payment was owed. A copy of the additional payment and letter of explanation will be provided to the Division within 60 days of the date of the Order.

3) Blue KC agrees to acknowledge notifications and complete investigations in first and second-level grievances in accordance with the procedures in §§ 376.1382.2(1) and (2) and 376.1385.3.

4) For a period of one year after January 1, 2026, Blue KC agrees to conduct semi-annual audits of all first and second level grievance files closed at the end of each audit period for compliance with Missouri law, including but not limited to §§ 376.1382.2 and 376.1385.3 and remedial action 4, to ensure that they meet the required timelines and procedures. The first audit period will begin on January 1, 2026 and continue for six months. The second audit period will begin the day after the first audit period ended and continue for six months. Blue KC shall report the results of each audit along with supporting evidence as requested by the examiners within 60 days of the end of each audit period.

5) For a period of one year after the date of the Order, Blue KC agrees to conduct semi-annual audits of all colonoscopy claims closed at the end of each audit period to review claims handling practices for compliance with Missouri law including but not limited to

§ 375.1007(1) and (3). The first audit period will begin on the date of the Order and continue for six months. The second audit period will begin the day after the first audit period ended and continue for six months. Blue KC agrees to reprocess any claims identified in the audits that were not paid in accordance with Missouri law and shall pay the members together with interest pursuant to § 374.191. Blue KC shall report the results of each audit including reprocessed claims along with supporting evidence as requested by the examiners within 60 days of the end of each audit period.

C. **Compliance.** Blue KC agrees to file documentation pursuant to § 374.190 with the Division, in a manner acceptable to the Division, of any remedial action taken to implement compliance with the terms of this Stipulation, including the payment of refunds. Blue KC agrees to provide such documentation within thirty (30) days of the entry of the Order unless otherwise specified in Section B above.

D. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Blue KC, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above-referenced market conduct investigation.

E. **Waivers.** Blue KC, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to 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 issues and allegations addressed in this Stipulation arising out of the above-referenced Market Conduct Investigation No. 404374.

F. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and Blue KC.

G. **Governing Law.** This Stipulation 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 on behalf of the Division and Blue KC, respectively.

I. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

J. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director approving this Stipulation.

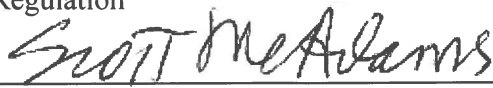
K. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: November 14, 2025



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market
Regulation

DATED: October 3, 2025



Name: Scott McAdams
Title: Sr. VP and Chief Audit,
Compliance and Risk Officer
Blue Cross and Blue Shield of Kansas
City