

No. 2020-6502

**Official Order
of the
Texas Commissioner of Insurance**

Date: 10/12/2020

Subject Considered:

CareCentrix, Inc.
9119 Corporate Lake Drive, STE 300
Tampa, Florida 33634-2380

Consent Order
TDI Enforcement File No. 23434

General remarks and official action taken:

This is a consent order with CareCentrix, Inc. (CareCentrix). The Texas Department of Insurance (TDI) performed a desk audit of CareCentrix's utilization review business. The audit determined that CareCentrix allowed non-physician nurse reviewers to issue a fax or letter to the requesting provider with instructions on how to request a peer to peer conversation prior to having a Texas licensed utilization review physician review the case. CareCentrix has agreed to modify its procedures and pay a \$50,000 administrative penalty.

Waiver

CareCentrix acknowledges that the Texas Insurance Code and other applicable law provide certain rights. CareCentrix waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. TDI certified CareCentrix as a utilization review agent, license number 5231, on October 2, 2002.
2. TDI issued a certificate of authority to Cigna Health and Life Insurance Company (Cigna), effective July 1, 1975.

2020-6502

Commissioner's Order
CareCentrix, Inc.
Page 2 of 6

3. Cigna contracts with CareCentrix to perform utilization review and to issue adverse determinations on Cigna's behalf.

Audit Findings

4. On July 3, 2019, TDI commenced a desk audit of Cigna's adverse determinations issued between July 1, 2018, and June 30, 2019. Cigna provided a list of 26,896 adverse determinations that were issued during the audit timeframe.
5. Cigna contracts with several Texas licensed utilization review agent to issue adverse determinations and is required to monitor the activities of its utilization review agents. CareCentrix issued 2,153 adverse determinations on Cigna's behalf during the audit timeframe.
6. Managed Care Quality Assurance randomly selected 37 adverse determination files for further review. In this sampling, TDI found evidence of multiple violations of Texas insurance laws and regulations. Five CareCentrix files were included in the randomly selected adverse determination files.
7. CareCentrix utilizes a third party, Medical Review Institute of America (MRIOA) to handle the physician utilization review. TDI certified MRIOA as a utilization review agent, license number 5235, on October 4, 2001.
8. In all of the audited Cigna/CareCentrix adverse determinations concerning the medical necessity of the request, CareCentrix nurse reviewers issued a fax or letter to the requesting provider with instructions on how to request a peer to peer conversation prior to having a Texas licensed utilization review physician review the case.
9. If a requesting provider responded to the offer of a peer to peer, a physician might still need to review the case before the peer to peer conversation could occur, creating an unnecessary and unreasonable burden on the requesting provider.
10. Cigna and CareCentrix responded that the noncompliance was a result of procedural and workflow issues that have been resolved through updated policy and procedures and other system edits.

11. Cigna and CareCentrix submitted corrective action plans to address the deficiencies cited in the final audit report on March 24, 2020.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 82, 84, and 4201; 28 TEX. ADMIN. CODE §§ 19.1705 and 19.1711; and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 36.104 and 82.055, and 28 TEX. ADMIN. CODE § 1.47.
3. CareCentrix has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. CareCentrix violated TEX. INS. CODE § 4201.153(d) and 28 TEX. ADMIN. CODE § 19.1705(d) because nurse reviewers issued a fax or letter to the requesting provider with instructions on how to request a peer to peer conversation prior to an appropriate physician, doctor, or other health care provider determining the medical necessity of the request.
5. CareCentrix violated TEX. INS. CODE § 4201.206 and § 28 TEX. ADMIN. CODE § 19.1711(5) because a physician must review a case before offering an opportunity for a peer to peer conversation.

2020-6502

Commissioner's Order
CareCentrix, Inc.
Page 4 of 6

Order

It is ordered that CareCentrix, Inc. must pay an administrative penalty of \$50,000 within 30 days from the date of this order. The penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas" and sent to the Texas Department of Insurance, Attn: Enforcement, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

It is also ordered that CareCentrix, Inc. report to TDI on or before 30 days from the date of this order. The report will affirm that CareCentrix, Inc. has fully implemented its corrective action plan. If CareCentrix, Inc. has not yet fully implemented its corrective action plan, the report will detail how CareCentrix, Inc. intends to fully implement its corrective action plan, resources dedicated to implementation, timeliness, and a process for independent verification of objective progress to comply with Texas law. The report must be sent to EnforcementReports@tdi.texas.gov.

Commissioner of Insurance

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By: C77A87C8C21B435...
Doug Slape
Chief Deputy Commissioner
TEX. GOV'T CODE § 601.002
Commissioner's Order No. 2018-5528

2020-6502

Commissioner's Order
CareCentrix, Inc.
Page 5 of 6

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Beverly Rosendahl, Special Counsel
Enforcement Division

