

No. 2020-6392

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

Date: 07/13/2020

Subject Considered:

Denticare, Inc.
P.O. Box 740036
Louisville, Kentucky 40201-7436

Consent Order
TDI Enforcement File No. 18966

General remarks and official action taken:

This is a consent order with Denticare, Inc. (Denticare) for new violations found in a triennial quality of care examination. Denticare was the subject of a previous consent order for violations found during a 2014 quality of care triennial examination and paid an administrative penalty of \$50,000. Denticare's current triennial quality of care examination found additional violations. Denticare has agreed to pay a \$75,000 administrative penalty.

Waiver

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

Findings of Fact

1. The Texas Department of Insurance (TDI) issued Denticare a single service health maintenance organization (HMO) license number 5211, effective June 3, 1988.

2020-6392

Commissioner's Order

Denticare, Inc.

Page 2 of 5

2014 Triennial Examination

2. TDI conducted a triennial quality of care examination of Denticare for the period beginning December 29, 2011, and ending December 31, 2014.
3. TDI issued the 2014 Triennial Final Examination Report on January 8, 2016.
4. Commissioner Order No. 4505, dated June 9, 2016, addressed numerous violations found during the 2014 triennial examination; one of these was a repeat violation identified in Denticare's first triennial examination in 2012. The order imposed an administrative penalty of \$50,000.

2017 Triennial Examination

5. TDI conducted another triennial quality of care examination of Denticare for the period beginning January 1, 2015, and ending December 31, 2017.
6. On November 30, 2018, TDI held an exit conference call with Denticare to discuss the 2017 examination findings. Sample files reviewed during this examination were dated after the implementation of Denticare's corrective action plan from the 2015 examination.
7. TDI issued the 2017 Triennial Final Examination Report on December 13, 2018.

2017 Examination Findings

8. TDI reviewed 25 complaint appeal files to determine statutory compliance.
9. In 10 instances, Denticare failed to provide evidence that the complaint appeal panel was composed of an equal number of Health Maintenance Organization (HMO) staff members, physician or other providers, and enrollees who were not employees of the HMO.
10. TDI reviewed 25 credentialing files to determine statutory compliance.
11. In 12 instances, Denticare failed to provide evidence that the HMO entered into an individual or group contract with the applicant.

2020-6392

Commissioner's Order

Denticare, Inc.

Page 3 of 5

12. Denticare submitted a corrective action plan to address the deficiencies cited in the final examination report issued by TDI on January 11, 2019.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002, 82.051-82.055, 84.021-84.022, 401.055, and 843.255; 28 TEX. ADMIN. CODE § 11.204; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has 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. Denticare 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. Denticare violated TEX. INS. CODE § 843.255 because it failed to provide evidence that the complaint appeal panel was composed of an equal number of Health Maintenance Organization (HMO) staff members, physician or other providers, and enrollees who were not employees of the HMO
5. Denticare TEX. INS. CODE § 843.101 violated because it failed to provide evidence that the HMO entered into an individual or group contract with the applicant.

2020-6392

Commissioner's Order

Denticare, Inc.

Page 4 of 5

Order

It is ordered that Denticare, Inc. pay an administrative penalty of \$75,000 within 30 days from the date of this order. The administrative penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.

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

DocuSigned by:

73DEDCF32E5F411...

Kent C. Sullivan
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Bev Rosendahl, Special Counsel
Enforcement Division

Affidavit

STATE OF Kentucky §

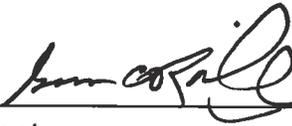
COUNTY OF Jefferson §

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

"My name is Sean J. O'Reilly. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of SVP, Chief Compliance Officer, and am the authorized representative of Denticare, Inc. and I am duly authorized by said organization to execute this statement.

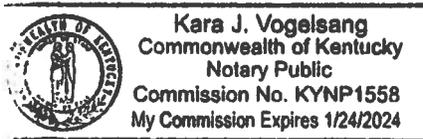
Denticare, Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

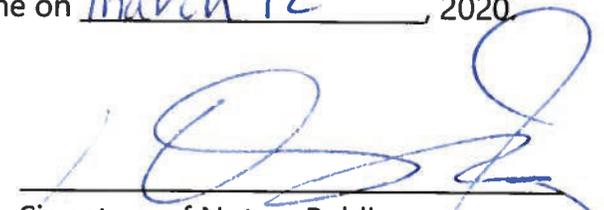


Affiant

SWORN TO AND SUBSCRIBED before me on March 12, 2020.

(NOTARY SEAL)





Signature of Notary Public

Kara J. Vogelsang KYNP1558

Printed Name of Notary Public