

No. 2020-6402

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

Date: 07/22/2020

Subject Considered:

SafeGuard Health Plans, Inc.
18210 Crane Nest Drive
Tampa, Florida 33647

Consent Order
TDI Enforcement File No. 23809

General remarks and official action taken:

This is a consent order with SafeGuard Health Plans, Inc. (SHP). TDI conducted a triennial quality of care examination and found certain violations, including some violations found in a prior exam. SHP has agreed to pay a \$30,000 administrative penalty.

Waiver

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

Pursuant to TEX. INS. CODE § 82.055(b), SHP agrees to this consent order with the express reservation that it does not admit to a violation of the Texas Insurance Code or of a rule of the TDI and that the existence of a violation is in dispute.

Findings of Fact

1. The Texas Department of Insurance (TDI) issued SHP a single service health maintenance organization (HMO) license number 4927, effective January 21, 1988.

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2015 Triennial Examination

2. TDI conducted a triennial quality of care examination of SHP for the period beginning October 2, 2013, and ending December 31, 2015.
3. TDI issued the 2015 Triennial Final Examination Report on January 4, 2017.

2018 Triennial Examination

4. TDI conducted another triennial quality of care examination of SHP for the period beginning January 1, 2016, and ending December 31, 2018.
5. On November 8, 2019, TDI held an exit conference call with SHP to discuss the 2018 examination findings. Sample files reviewed during this examination were dated after the implementation of SHP's corrective action plan from the 2015 examination.
6. TDI issued the 2018 Triennial Final Examination Report on November 15, 2019.

Recredentialing Files

7. TDI reviewed 39 recredentialing files to determine statutory compliance.
8. In 13 instances, SHP failed to provide evidence that recredentialing was conducted within 36 months of the previous credentialing cycle. This was similar to issues TDI identified in the 2015 examination of SHP.

Prompt Pay Files

9. TDI reviewed 50 prompt pay files to determine statutory compliance.
10. In four instances, SHP failed to pay prompt pay penalties when the claims were processed after the applicable statutory claims payment periods. This was similar to issues TDI identified in the 2015 examination of SHP.
11. SHP has now paid all prompt pay penalties per the exam.

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Corrective Action Plan

12. SHP submitted a corrective action plan to address the deficiencies cited in the final examination report issued by TDI on December 17, 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, 843.342; 28 TEX. ADMIN. CODE §§ 11.1402, 11.1902, and 21.2815; 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. SHP 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. SHP violated 28 TEX. ADMIN. CODE § 11.1902(4) because it failed to provide evidence that recredentialing was conducted within 36 months of the previous credentialing cycle.
5. SHP violated TEX. INS. CODE § 843.342(a), (f), and (m) and 28 TEX. ADMIN. CODE § 21.2815(a)(1) and (c)(3) because it failed to pay prompt pay penalties when the claims were processed after the applicable statutory claims' payment periods.

Order

It is ordered that SafeGuard Health Plans, Inc. must pay an administrative penalty of \$30,000 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.

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It is also ordered that Safeguard Health Plans, Inc. report to TDI on or before 30 days from the date of this order. The report will affirm that Safeguard Health Plans, Inc. has fully implemented its post-exam corrective action plan. If Safeguard Health Plans, Inc. has not yet fully implemented its post-exam corrective action plan, the report will detail how Safeguard Health Plans, 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:
Kent Sullivan
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Kent C. Sullivan
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Bev Rosendahl, Special Counsel
Enforcement Division

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

"My name is Alan Hirschberg. 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 President, and am the authorized representative of SafeGuard Health Plans, Inc. and I am duly authorized by said organization to execute this statement.

SafeGuard Health Plans, 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 June 23, 2020.

(NOTARY SEAL)



Maria Turriziani
Signature of Notary Public

Maria Turriziani
Printed Name of Notary Public

MARIA TURRIZIANI
NOTARY PUBLIC OF NEW JERSEY
Comm. # 50079352
My Commission Expires 3/23/2023