

No. **2023-8181**

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

Date: 9/5/2023

Subject Considered:

Celtic Insurance Company
200 E. Randolph St., Ste. 3600
Chicago, Illinois 60601-6512

Consent Order
TDI Enforcement File No. 32025

General remarks and official action taken:

This is a consent order with Celtic Insurance Company (Celtic), which self-reported misstatements regarding plan year 2023 generic drug benefits. Celtic has agreed to reimburse impacted Texas consumers.

Waiver

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

Findings of Fact

1. Celtic holds a certificate of authority to act as a life, accident, and health insurer.
2. Celtic's 2023 plan year quoting system incorrectly stated benefits for four health savings account individual plans. These plans were not available on the federal exchange.

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3. The plans represented that policyholders would have "no charge" for generic drugs. However, the policy forms stated that there would be "no charge after deductible" for these plans, which is how Celtic processed claims.
4. Celtic represents that 166 Texas consumers initially purchased these plans. From January 2023 to May 2023, these consumers paid approximately \$3,000 for generic drugs, which was contrary to Celtic's representations.
5. Celtic discovered this error and reported it to the department.
6. Celtic agrees to make payments to consumers who have generic drug claims for plan year 2023 as detailed below.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 82, 84, and 541; and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has authority to dispose of this matter informally 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. Celtic 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. Celtic violated TEX. INS. CODE § 541.051 by incorrectly stating the terms of an insurance policy.

Order

It is ordered that Celtic Insurance Company make payments to current or former Celtic members who:

- a. enrolled in a Gold 201 HSA+Vision+Adult Dental: Standard Off Exchange Plan or a Silver 201 HSA+Vision+Adult Dental: Standard Off Exchange Plan between January 1, 2023, through December 31, 2023;

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- b. had a claim for generic drugs with dates of service from January 1, 2023, through December 31, 2023; and
- c. had not met the plan's deductible.

Celtic must notify the impacted members of payments owed on or before January 31, 2024. TDI must approve the member notification. If an impacted member had a health savings account used with the 2023 Celtic plan, that member may notify Celtic that the member will decline payments owed if the member believes that the payment could result in a federal tax consequence. Celtic must pay the restitution amounts on or before March 15, 2024.

Celtic must submit a report to the department on or before April 15, 2024. The report will detail Celtic's payments to impacted members by submitting a complete and sortable electronic spreadsheet to the department. The spreadsheet must contain the following information:

- a. policy number;
- b. policyholder name;
- c. policyholder address;
- d. effective date of the policy;
- e. cancellation date of the policy;
- f. if the member opted out of a payment;
- g. amount paid; and
- h. date(s) of payments.

The report must be sent to EnforcementReports@tdi.texas.gov.

Once the notification and payments to members have been fulfilled and the report submitted to the department as ordered, this consent order will be considered complete with no additional action required from Celtic.

DocuSigned by:

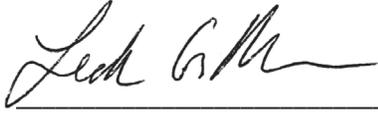
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Cassie Brown
Commissioner of Insurance

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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

Affidavit

STATE OF Illinois §
§
COUNTY OF Cook §

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

"My name is Kevin Counihan. 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 CEO, Ambetter Health and am the authorized representative of Celtic Insurance Company. I am duly authorized by said organization to execute this statement.

Celtic Insurance Company 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 August 23, 2023.

(NOTARY SEAL)



Julia A. Gregory
Signature of Notary Public

Julia A. Gregory
Printed Name of Notary Public