

No. 2022-7214

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

**Date:** 02/08/2022

**Subject Considered:**

Sendero Health Plans, Inc.  
2028 East Ben White Boulevard, Suite 400  
Austin, Texas 78741

Consent Order  
TDI Enforcement File No. 25392

**General remarks and official action taken:**

This is a consent order with Sendero Health Plans, Inc. (Sendero) for violations found in a triennial quality of care examination performed by the Texas Department of Insurance. Sendero has agreed to pay a \$50,000 administrative penalty.

**Waiver**

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

**Findings of Fact**

1. Sendero is a health maintenance organization authorized to operate in Texas.
2. The department conducted a triennial quality of care examination for the period of January 1, 2016, through December 31, 2018.
3. During the exam, the department found violations of the Texas Insurance Code and Texas Administrative Code in the sample of policies and claims reviewed.

## Prior Examination

4. The department performed a triennial examination of Sendero for the period March 4, 2013, through December 31, 2015. Among other deficiencies, the department cited Sendero for having failed to pay prompt-pay penalties to providers and the department as required per 28 TEX. ADMIN. CODE § 21.2815.

## Prompt Pay

5. The department reviewed 55 claim files. In 33 percent of these claim files (18 of 55), Sendero did not pay penalties to providers or the department after processing claims beyond the prompt-pay period.
6. Sendero identified several hundred additional claims for which it had not paid penalties after processing claims beyond the prompt-pay period. Sendero provided evidence that it had, during the exam, paid prompt-pay penalties for these claims, but the penalty amounts were calculated incorrectly.
7. Because Sendero did not identify those claims as being paid late until identified during the exam, the quarterly reports Sendero had previously sent to the department were inaccurate and misleading.

## Corrective Action

8. Sendero accepted the department's triennial exam report and has provided a corrective action plan. Sendero provided evidence indicating it has recalculated prompt-pay penalties for the claims identified during the exam and has now paid the correct penalties. Sendero represents it has implemented new claims-processing procedures and now is complying with prompt-pay law and reporting obligations. Sendero represents it has fully implemented the corrective action plan.


## **Conclusions of Law**

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 843.071.

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. Sendero 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. Sendero violated TEX. INS. CODE § 843.342 and 28 TEX. ADMIN. CODE § 21.2815 because it did not pay penalties after processing claims beyond the prompt-pay period until identified during the examination.
5. Sendero violated 28 TEX. ADMIN. CODE § 21.2821 because it reported the incorrect number of clean claims paid after the prompt-pay periods.

**Order**

It is ordered that Sendero Health Plans, Inc. pay an administrative penalty of \$50,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send Sendero after entry of this order.

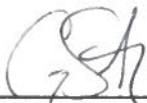
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Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:



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Leah Gillum, Deputy Commissioner  
Enforcement Division



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Casey Seeboth, Staff Attorney  
Enforcement Division

