

No. **3778**

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: JAN 15 2015

Subject Considered:

American Specialty Health Group, Inc.
10221 Waterridge Circle
San Diego, CA 92121

Aetna Health, Inc.
980 Jolly Road U11S
Blue Bell, PA 19422

Aetna Life Insurance Company
151 Farmington Avenue, RT21
Hartford, CT 06156

Cigna Healthcare of Texas, Inc.
1640 Dallas Parkway
Plano, TX 75093

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

CONSENT ORDER

TDI ENFORCEMENT FILE NOS. 8473, 8468, 8469, 8470, 8471, and 8472

The commissioner of insurance considers whether disciplinary action should be taken against American Specialty Health Group, Inc., Aetna Health, Inc., Aetna Life Insurance Company (“Aetna”), Cigna Healthcare of Texas, Inc., Cigna Health and Life Insurance Company, and Connecticut General Life Insurance Company (“Cigna”).

WAIVER

American Specialty, Aetna, and Cigna acknowledge that the Texas Insurance Code and other applicable laws provide certain rights relating to the subject matter of any disciplinary proceeding

and how it is conducted. American Specialty, Aetna, and Cigna waive those rights with respect to the entry of this consent order.

American Specialty, Aetna, and Cigna agree to the entry of this consent order with the express reservation that they do not admit to a violation of the Texas Insurance Code and related rules, and assert that they have not violated any law or regulation.

FINDINGS OF FACT

1. American Specialty Health Group, Inc. (formerly known as American Specialty Health Networks, Inc.) held a utilization review certificate, TDI license no. 5168, that expired October 17, 2010. American Specialty has a pending utilization review application, TDI application no. 1127142, which was received November 7, 2014.
2. Aetna Health, Inc., TDI license no. 5791, is a Texas corporation with a certificate of authority from TDI to operate as a health maintenance organization in Texas.
3. Aetna Life Insurance Company, TDI license no. 400, is a foreign life, accident, and health company currently holding a certificate of authority issued by TDI to transact the business of insurance in Texas and also acts as a licensed third party administrator.
4. Cigna Healthcare of Texas, Inc., TDI license no. 94587, is a Texas corporation with a certificate of authority from TDI to operate as a health maintenance organization in Texas.
5. Cigna Health and Life Insurance Company, TDI license no. 63800, is a foreign life, accident, and health company currently holding a certificate of authority issued by TDI to transact the business of insurance in Texas.
6. Connecticut General Life Insurance Company, TDI license no. 19650, is a foreign life, accident, and health company currently holding a certificate of authority issued by TDI to transact the business of insurance in Texas and also acts as a licensed third party administrator.
7. A utilization review agent must apply for a renewal of certification every two years from the date of issuance by submitting a URA application form and the required renewal fee.
8. In August 2010, American Specialty was sent a notification that their URA certification was due for renewal and that failure to submit the required documentation would result in automatic expiration of the URA certification.
9. American Specialty failed to submit the required documentation and the certification expired October 17, 2010.

10. In December 2011, the Managed Care Quality Assurance (MCQA) office received a letter notifying the department of a name change from American Specialty Health Networks, Inc. to American Specialty Health Group, Inc.
11. In January 2012, American Specialty was sent a notification that their certificate had expired, they were no longer authorized to perform utilization review in Texas, and that a new application was required to continue to operate as a utilization review agent.
12. In October 2012, the MCQA office received a renewal application, including the required renewal fee.
13. In February 2013, the TDI accounting department returned the renewal fee because American Specialty no longer held a utilization review agent certificate.
14. In March 2013, the MCQA office contacted American Specialty and explained that the renewal fee was returned because the utilization review certification was expired.
15. In October 2014, the MCQA office received another renewal application from American Specialty.
16. In November 2014, the MCQA office held a conference call with American Specialty where it was again explained that the utilization review certificate was expired. American Specialty believed the certificate was current, and admitted they were performing utilization review from the date of expiration, October 17, 2010, to the present.
17. From October 17, 2010, to the present, American Specialty has performed utilization review for Cigna.
18. From October 17, 2010, to the present, Aetna and Cigna continued to delegate utilization review to American Specialty without verifying American Specialty was a licensed utilization review agent.

CONCLUSIONS OF LAW

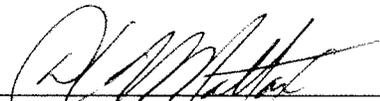
1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.052-82.055, 84.021-84.022, 4201.057, 4201.058, 4201.101, 4201.103, and Chapter 1272; 28 TEX. ADMIN. CODE Chapter 11, Subchapter AA and Chapter 19, Subchapter R; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally pursuant to the provisions of TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 82.055 and 36.104; and 28 TEX. ADMIN. CODE § 1.47.
3. American Specialty Health Group, Inc. performed utilization review on behalf of Cigna Healthcare of Texas, Inc., Cigna Health and Life Insurance Company, and Connecticut

General Life Insurance Company without a utilization review agent certificate in violation of TEX. INS. CODE § 4201.101 and Chapter 1272; and 28 TEX. ADMIN. CODE Chapter 11, Subchapter AA and Chapter 19, Subchapter R.

4. Aetna Health, Inc., Aetna Life Insurance Company, Cigna Healthcare of Texas, Inc., Cigna Health and Life Insurance Company, and Connecticut General Life Insurance Company delegated utilization review to American Specialty Health Group, Inc. when American Specialty Health Group, Inc. did not have a utilization review agent certificate in violation of TEX. INS. CODE § 4201.101 and Chapter 1272; and 28 TEX. ADMIN. CODE Chapter 11, Subchapter AA and Chapter 19, Subchapter R.

The commissioner orders American Specialty Health Group, Inc., Aetna Health, Inc., Aetna Life Insurance Company, Cigna Healthcare of Texas, Inc., Cigna Health and Life Insurance Company, and Connecticut General Life Insurance Company to immediately comply in all respects with TEX. INS. CODE § 4201.101 and Chapter 1272; and 28 TEX. ADMIN. CODE Chapter 11, Subchapter AA and Chapter 19, Subchapter R.

The commissioner orders American Specialty Health Group, Inc., Aetna Health, Inc., Aetna Life Insurance Company, Cigna Healthcare of Texas, Inc., Cigna Health and Life Insurance Company, and Connecticut General Life Insurance Company, jointly and severally, to pay an administrative penalty of \$60,000. The administrative penalty must be paid in full on or before 30 days from the entry date of this order. The administrative penalty must be paid by cashier's check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.



David C. Mattax
Commissioner of Insurance

For the Staff:



Beverly Rosendahl, Director
Compliance Division, Enforcement Section
Texas Department of Insurance

AFFIDAVIT

THE STATE OF California §

COUNTY OF San Diego §

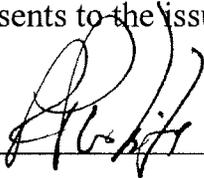
Before me, the undersigned authority, on this day personally appeared the affiant, who being by me duly sworn, deposed as follows:

"My name is ROBERT S. WHITE. 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 AD COO, and am the authorized representative of American Specialty Health Group, Inc. I am duly authorized by said organization to execute this statement.

American Specialty Health Group, Inc. waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

American Specialty Health Group, Inc. is voluntarily entering into this consent order and consents to the issuance and service of this consent order."



Affiant

SWORN TO AND SUBSCRIBED before me on December 19, 2014.

(Notary Stamp)



Janeth Herrera
Signature of Notary Public

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COMMISSIONER'S ORDER

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AFFIDAVIT

THE STATE OF Penna. §

COUNTY OF Montgomery §

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

"My name is Gregory S. Martino. 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 Vice President, and am the authorized representative of Aetna Life Insurance Company. I am duly authorized by said organization to execute this statement.

Aetna Life Insurance Company waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

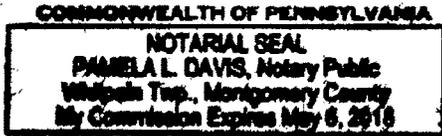
Aetna Life Insurance Company is voluntarily entering into this consent order and consents to the issuance and service of this consent order."

[Signature]
Affiant

SWORN TO AND SUBSCRIBED before me on January 8 2014.5.

(Notary Stamp)

[Signature]
Signature of Notary Public



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COMMISSIONER'S ORDER
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AFFIDAVIT

THE STATE OF Tennessee §
§
COUNTY OF Williamson §

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

"My name is Mario Vangeli 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 Sr. Director and am the authorized representative of Cigna Health and Life Insurance Company. I am duly authorized by said organization to execute this statement.

Cigna Health and Life Insurance Company waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

Cigna Health and Life Insurance Company is voluntarily entering into this consent order and consents to the issuance and service of this consent order."

[Signature]
Affiant

SWORN TO AND SUBSCRIBED before me on 12/22, 2014.

(Notary Stamp)

[Signature]
Signature of Notary Public

