

No. 2017- 5040

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

Date: APR 24 2017

Subject Considered:

SUPERIOR HEALTHPLAN, INC.
2100 S Interstate 35 Ste 202
Austin, Texas 78704

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 12364

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Superior HealthPlan, Inc. (SHP).

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.

FINDINGS OF FACT

1. SHP is a basic health care maintenance organization (HMO), license number 94703, effective April 27, 1997. SHP has a duty to monitor all delegated entities to ensure they are in compliance with all applicable rules and statutes.
2. TDI certified Envolve Pharmacy Solutions, Inc. (Envolve) as a health utilization review agent, URA 1774935, effective July 16, 2012. Envolve's certification is current and expires on July 16, 2018. Envolve is a delegated entity for SHP and performs utilization review for them.

Adverse Determination Templates

3. In May 2013, Envolve filed an update application to their URA certification. The initial adverse determination letter submitted by Envolve was deficient and required revisions. The URA update was accepted on August 21, 2013.

4. In 2014 and 2016, Envolve submitted renewal applications, including the submission of template letters. The initial adverse determination template letters provided by Envolve in 2014 and 2016 were not the templates that were approved during the 2013 update.
5. TDI sent Envolve deficiency letters in 2014 and 2016 requesting revisions to the templates. Envolve's certification was renewed both years.
6. In 2016, MCQA selected Envolve for a utilization review audit of adverse determination letters currently in use. MCQA randomly selected three utilization review case files and requested Envolve to provide all of the issued initial adverse determination letters in those cases.
7. Review of the files revealed that Envolve repeatedly used unapproved adverse determination templates in violation of applicable statutes and rules.
8. Envolve used the unapproved adverse determination templates during utilization review for SHP.
9. Envolve has represented to TDI that the failure to accurately implement the approved letters has been resolved.

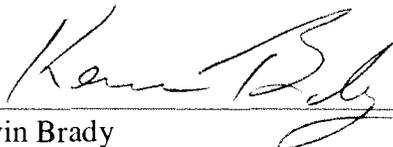
CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002, 82.051-82.055, 84.021-84.022, 1272.056 and 1272.060; 28 TEX. ADMIN. CODE §§ 11.2601, 11.2603, and 11.2604; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to informally dispose of this matter as set forth under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. SHP violated TEX. INS. CODE §§ 1272.056 and 1272.060 and 28 TEX. ADMIN. CODE §§ 11.2601, 11.2603, and 11.2604 because it failed to have a monitoring plan to ensure that it's delegated entity, Envolve, performed in accord with applicable statutes and rules.

2017- 5040

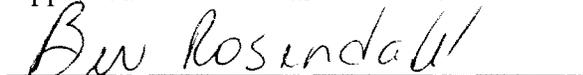
COMMISSIONER'S ORDER
Superior Healthplan, Inc.
TDI Enforcement File No. 12364
Page 3 of 4

The commissioner orders Superior Healthplan, Inc. to pay an administrative penalty of \$30,000 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 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Kevin Brady
Deputy Commissioner for Agency Affairs
Texas Department of Insurance
Delegation Order 4506

Approved as to Form and Content:



Bev Rosendahl, Staff Attorney
Enforcement Section, Compliance Division
Texas Department of Insurance

