

No. 2017- 5319

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

Date: DEC 20 2017

Subject Considered:

TEAMCHOICE
2020 82nd Street, Suite 102
Lubbock, Texas 79423

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 13006

General remarks and official action taken:

This Order is in consideration of whether disciplinary action should be taken against TeamChoice.

WAIVER

TeamChoice acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. TeamChoice 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), Teamchoice agrees to this consent order with the express reservation that it does not admit to a violation of any provision of the Insurance Code or rule or regulation of the department and TeamChoice maintains the existence of any violation is in dispute.

FINDINGS OF FACT

1. Effective December 3, 1999, the Texas Secretary of State issued TeamChoice a certificate of incorporation. According to TeamChoice, it operates as a physician-hospital organization.
2. On September 1, 2007, TeamChoice entered into a network services agreement with Time Insurance Company. Pursuant to the agreement, for a fee, TeamChoice provided Time access to its network of participating providers, which included physicians, health professionals, certain other entities or institutional health care providers.

3. Effective September 1, 2013, Senate Bill 822, 83rd Legislature, Regular Session (2013), added TEX. INS. CODE Chapter 1458.
4. Effective November 19, 2014, the Texas Department of Insurance adopted rules in 28 TEX. ADMIN. CODE Chapter 3, Subchapter QQ, related to Provider Network Contract Registration, to implement TEX. INS. CODE Chapter 1458.
5. TeamChoice did not register as a contracting entity.

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, 1458.001-1458.002, 1458.051-1458.054, 1458.051, and 1458.103; 28 TEX. ADMIN. CODE §§ 3.9801-3.9805; 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. TEX. INS. CODE § 1458.001(7)(A)(x) states: "'Provider' means a physician-hospital organization that acts exclusively as an administrator for a provider to facilitate the provider's participation in health care contracts."
4. TEX. INS. CODE § 1458.001(7)(B) states: "'Provider' does not include a physician-hospital organization that leases or rents the physician-hospital organization's network to another party."
5. TEX. INS. CODE § 1458.001(2) states: "'Contracting entity' means a person who: (A) enters into a direct contract with a provider for the delivery of health care services to covered individuals; and (B) in the ordinary course of business establishes a provider network or networks for access by another party."
6. TEX. INS. CODE § 1458.051(a) and 28 TEX. ADMIN. CODE 3.9802(b) require each person operating as a contracting entity to submit to TDI a fully completed Provider Network Contracting Entity Registration Form with the required fee established under 28 TEX. ADMIN. CODE § 3.9804 before the later of:
 - a. The 30th day after the date on which the person begins acting as a contracting entity in this state; or
 - b. December 1, 2014.
7. TeamChoice did not comply TEX. INS. CODE § 1458.051(a) and 28 TEX. ADMIN. CODE

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§ 3.9802 because it did not register with the department within 30 days after it began acting as a contracting entity in this state.

It is ordered that TeamChoice register as a provider network contracting entity and pay the associated fee within 30 days from the date of this order.

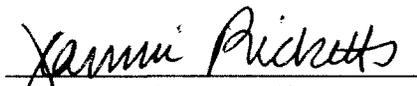
It is ordered that TeamChoice send proof that it is registered as a provider network contracting entity to catherine.bell@tdi.texas.gov and debra.diaz-lara@tdi.texas.gov within 45 days of the date of this order.

It is ordered that TeamChoice pay an administrative penalty of \$3,000 within 30 days of 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, Legal and Enforcement Division 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Kent C. Sullivan
Commissioner of Insurance

Approved as to Form and Content:



Jeannie Ricketts, Staff Attorney
Legal & Enforcement Division

