

No. **4486**

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

Date: JUN 02 2016

**Subject Considered:**

**MANAGED DENTALGUARD, INC.**  
21255 Burbank Blvd Suite 120  
Woodland Hills, CA 91367

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 11046

**General remarks and official action taken:**

The commissioner of insurance considers whether disciplinary action should be taken against Managed Dentalguard, Inc. (Managed Dentalguard).

**WAIVER**

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

**FINDINGS OF FACT**

1. On March 24, 2000, TDI issued Managed Dentalguard single service health maintenance organization license no. 95452.
2. On October 20, 2015, the MCQA office sent a warning letter to Managed Dentalguard advising them of numerous prompt pay insurance code violations for Q2 2015, and requested that Managed Dentalguard file corrected information.
3. On January 25, 2016, the MCQA office sent a warning letter to Managed Dentalguard advising them of numerous prompt pay insurance code violations for Q3 2015, and requested that Managed Dentalguard file corrected information.
4. On February 15, 2016, Q4 2015 reporting was due and Managed Dentalguard had prompt pay code violations.

# 4486

COMMISSIONER'S ORDER  
Managed Dentalguard, Inc.  
TDI Enforcement File No. 11046  
Page 2 of 4

5. On February 18, 2016, MCQA received correspondence from Managed Dentalguard stating that they would review the claim process.
6. On May 15, 2016, Q1 2016 reporting was due and again Managed Dentalguard had prompt pay code violations
7. MCQA received correspondence from Managed Dentalguard which explained reasons for the prompt pay code violations, informed the department that corrective action was taken to resolve future deficiencies, and agreed to closely monitor future prompt pay reporting.

## **Late Paid Claims Violation**

8. Managed Dentalguard is required to submit quarterly claims payment information to TDI, and is subject to penalties if they violate the claims payment provisions for more than two percent of clean claims.
9. Managed Dentalguard provided payment information and data that revealed that Managed Dentalguard failed to pay claims in a timely manner as follows:

Year 2015	Quarter 2- 2.50% of clean claims paid late
	Quarter 3- 12.80% of clean claims paid late
	Quarter 4- 11.61% of clean claims paid late
Year 2016	Quarter 1- 4.24% of clean claims paid late

## **HB 610 Violation**

10. HB 610, 76<sup>th</sup> Legislature requires Managed Dentalguard to submit quarterly claims payment information for all provider contracts issued or renewed before August 16, 2003, or to request an exemption from such reporting.
11. Managed Dentalguard failed to submit the quarterly claims payment information. Managed Dentalguard was granted an exemption for such reporting on November 2, 2015.

## **Annual Report Violation**

12. Managed Dentalguard failed to submit its Annual Report on or before August 15<sup>th</sup>, containing information from July 1<sup>st</sup> of the prior year to June 30<sup>th</sup> of the current year, as required by statute.
13. Managed Dentalguard filed its Annual Report on November 5, 2015, 82 days late.

# 4486

COMMISSIONER'S ORDER  
Managed Dentalguard, Inc.  
TDI Enforcement File No. 11046  
Page 3 of 4

## 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, and 843.336-843.354; 28 TEX. ADMIN. CODE §§ 21.2801-21.2816 and 21.2821; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to informally dispose of this matter under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. Managed Dentalguard violated TEX. INS. CODE § 843.342(k) and 28 TEX. ADMIN. CODE §§ 21.2801-21.2816 because it failed to pay clean claims in a timely manner.
4. Managed Dentalguard violated 28 TEX. ADMIN. CODE § 21.2821 because it failed to submit quarterly claims payment information in a timely manner.

The commissioner orders Managed Dentalguard, Inc. to pay an administrative penalty of \$20,000 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, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.

  
\_\_\_\_\_  
David C. Mattox  
Commissioner of Insurance

Approved as to Form and Content:

  
\_\_\_\_\_  
Beverly Rosendahl, Staff Attorney  
Enforcement Section, Compliance Division  
Texas Department of Insurance

