

No. **4637**

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

Date: AUG 30 2016

Subject Considered:

HUMANA HEALTH PLAN OF TEXAS, INC.
P.O. Box 740036
Louisville, KY 40201

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 11160

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Humana Health Plan of Texas, Inc. (Humana).

WAIVER

Humana acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Humana 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 15, 1982, TDI issued Humana basic health maintenance organization license no. 93827.
2. In March 2016, Humana sent letters to a large population of their fully insured members advising that a recently filled prescription wasn't FDA approved, and as such, not covered by their plan.
3. The letters were inadvertently sent to members indicating that certain FDA approved drugs were not FDA approved.
4. In April 2016, Humana mailed letters to all members who received incorrect information in the original letters.
5. Members prescriptions continued to be filled and processed correctly without interruption between the mailing of the incorrect letter and the correction letter mailing.

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6. Humana has developed a data quality confirmation process for pharmacy data that is mailed, and checks have been put in place for reviewing mailings prior to release.
7. Humana has cooperated with TDI in its investigation and resolution of this matter.

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, 541.051-541.052, 843.461, and 1369.004; 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. Humana violated TEX. INS. CODE §§ 541.051-541.052 because it engaged in unfair or deceptive acts or practices.

The commissioner orders Humana Health Plan of Texas, Inc. to pay an administrative penalty of \$10,000 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. Mattax
Commissioner of Insurance

Approved as to Form and Content:



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

