

No. 2017- 5067

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

Date: MAY 09 2017

**Subject Considered:**

**MEMORIAL HERMANN HEALTH PLAN, INC.**  
929 Gessner Road, Suite 1500  
Houston, TX 77024

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 12702

**General remarks and official action taken:**

The commissioner of insurance considers whether disciplinary action should be taken against Memorial Hermann Health Plan, Inc. (MHHP).

**WAIVER**

MHHP acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. MHHP 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 April 25, 2014, TDI issued MHHP basic service health maintenance organization license no. 13764851.
2. In 2016, TDI conducted an initial quality of care examination of MHHP for the period beginning April 25, 2014, and ending December 31, 2015.
3. On October 18, 2016, TDI held an exit conference call with MHHP to discuss the 2016 examination findings.
4. Under Texas prompt pay statutes and rules, if a claim is paid after the date the health maintenance organization is required to make a determination or adjudication of the claim, the health maintenance organization must pay a penalty, and 18% interest on the amount.

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5. In MHHP's 2016 examination, TDI found that MHHP's Claim Impact Report evidenced that 57 claims were not paid in a timely manner.
6. In MHHP's 2016 examination, TDI found that MHHP reported incorrect quarterly claims payment information.
7. MHHP took corrective action, reprocessed all claims paid incorrectly from 2014 – 2015, and paid the providers penalties, plus 18% interest.
8. MHHP submitted 2014 - 2015 clean claims data that is in compliance with the prompt pay statutes and rules.
9. MHHP 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, 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. MHHP violated TEX. INS. CODE § 843.342 and 28 TEX. ADMIN. CODE §§ 21.2801-21.2816 because it failed to pay clean claims in a timely manner.
4. MHHP violated 28 TEX. ADMIN. CODE § 21.2821 because it failed to report correct quarterly claims payment information.

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The commissioner orders Memorial Hermann Health Plan, 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.



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

Approved as to Form and Content:



Beverly Rosendahl, Staff Attorney  
Enforcement Section  
Texas Department of Insurance

