

No. 2018-5530

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

Date: MAY 29 2018

**Subject Considered:**

COOK CHILDREN'S HEALTH PLAN  
P.O. Box 2488  
Fort Worth, Texas 76113

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 15092

**General remarks and official action taken:**

The subject of this order is whether disciplinary action should be taken against Cook Children's Health Plan (Cook).

**WAIVER**

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

**FINDINGS OF FACT**

1. The Texas Department of Insurance (TDI) issued Cook basic service health maintenance organization (HMO) license number 95330, effective February 25, 1999.

**2013 and 2015 Triennial Examinations**

2. TDI conducted a triennial quality of care examination of Cook for the period beginning March 4, 2010, and ending February 11, 2013.
3. TDI conducted another triennial quality of care examination of Cook for the period beginning February 11, 2013, and ending December 31, 2015.
4. On June 9, 2017, TDI held an exit conference call with Cook to discuss the 2015 examination findings.

5. In Cook's 2015 examination, TDI found that Cook failed to issue to the provider of record and the patient a written adverse determination within three working days of receiving the request for services, similar to those issues TDI previously identified in Cook's 2013 examination.
6. In Cook's 2015 examination, TDI found that Cook's adverse determination notice failed to include the complete description of the utilization review agent's complaint process, similar to those issues TDI previously identified in Cook's 2013 examination.
7. In Cook's 2015 examination, TDI found that Cook's adverse determination notice failed to include the complete description of procedures for the appeal process and failed to include the Affordable Care Act required language.
8. In Cook's 2015 examination, TDI found that Cook failed to afford the provider of record a reasonable opportunity to discuss the services under review during normal business hours, no less than one day prior to issuing the prospective adverse determination.
9. In Cook's 2015 examination, TDI found that Cook failed to monitor its delegated entities.
10. In Cook's 2015 examination, TDI found that Cook failed to maintain an accurate written and electronic current list of credentialed and contracted individual providers and institutional providers.
11. Cook submitted a plan of correction to address the deficiencies cited in the final examination report issued by TDI on October 9, 2017.

#### **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, 401.055, 843.201, 843.2015, 1272.056, 4201.206, 4201.303, and 4201.304; 28 TEX. ADMIN. CODE §§ 11.2603, 19.1703, 19.1709, 19.1710, and 19.1711; 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. Cook has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Cook violated TEX. INS. CODE § 4201.304(2) because it failed to issue to the provider of record and the patient a written adverse determination within three working days of receiving the request for services.

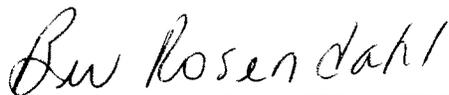
5. Cook violated TEX. INS. CODE § 4201.303(a)(4) and 28 TEX. ADMIN. CODE § 19.1709(b)(5) because it failed to include the complete description of the utilization review agent's complaint process.
6. Cook violated TEX. INS. CODE § 4201.303(a)(4) and 28 TEX. ADMIN. CODE §§ 19.1709(b)(6) and 19.1711 because it failed to include the complete description of procedures for the appeal process and failed to include the Affordable Care Act required language in the adverse determination notice.
7. Cook violated TEX. INS. CODE § 4201.206 and 28 TEX. ADMIN. CODE §§ 19.1703(b)(26)(A) and 19.1710 because it failed to afford the provider of record a reasonable opportunity to discuss the services under review during normal business hours, no less than one day prior to issuing the prospective adverse determination.
8. Cook violated TEX. INS. CODE § 1272.056 and 28 TEX. ADMIN. CODE § 11.2603(h) because it failed to monitor its delegated entities.
9. Cook violated TEX. INS. CODE §§ 843.201 and 843.2015 and 28 TEX. ADMIN. CODE § 11.1607 because it failed to maintain an accurate written and electronic current list of credentialed and contracted individual providers and institutional providers.

It is ordered that Cook Children's Health Plan pay an administrative penalty of \$120,000 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 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Kent C. Sullivan  
Commissioner of Insurance

Approved as to Form and Content:



Bev Rosendahl, Staff Attorney  
Enforcement Section  
Texas Department of Insurance

