

No. 2018-5587

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

Date: JUL 26 2018

Subject Considered:

ALPHA DENTAL PROGRAMS, INC.
560 Mission St, Ste 1300
San Francisco, California 94105

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 15599

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against Alpha Dental Programs, Inc. (Alpha Dental).

WAIVER

Alpha Dental acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Alpha Dental 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 Alpha Dental single service health maintenance organization (HMO) license number 5288, effective April 14, 1989.

2016 Triennial Examination

2. TDI conducted a triennial quality of care examination of Alpha Dental for the period beginning March 19, 2014, and ending December 31, 2016.
3. On November 15, 2017, TDI held an exit conference call with Alpha Dental to discuss the 2016 examination findings.

Examination Findings

4. Alpha Dental's complaint resolution letter failed to state the specialization of the physicians or other providers that were consulted in its response to the complainant. This was similar to issues TDI previously identified in a 2014 examination of Alpha Dental.
5. Alpha Dental failed to use a registered or certified utilization review agent to perform utilization review. This was similar to issues TDI previously identified in a 2014 examination of Alpha Dental.
6. Alpha Dental failed to review adverse determination requests in accordance with the requirements set out in statutes and rules.
7. Alpha Dental failed to pay prompt pay penalties on clean claims to providers. Alpha Dental now has paid all penalties owed on clean claims.
8. Alpha Dental submitted a plan of correction to address the deficiencies cited in the final examination report issued by TDI on February 1, 2018.

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, 843.252, 843.338, 1272.052, and 4201.101; 28 TEX. ADMIN. CODE chapter 19, subchapter R; 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 §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Alpha Dental 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. Alpha Dental violated TEX. INS. CODE § 843.252(b)(3) because it failed to state the specialization of the physicians or other providers that were consulted in its response to the complainant.
5. Alpha Dental violated TEX. INS. CODE §§ 1272.052 and 4201.101 and 28 TEX. ADMIN. CODE § 19.1704 because it failed to use a registered or certified utilization review agent to perform utilization review.
6. Alpha Dental violated TEX. INS. CODE chapter 4201 and 28 TEX. ADMIN. CODE chapter 19, subchapter R because it failed to review adverse determination requests in accordance with the requirements set out in statutes and rules.

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7. Alpha Dental violated TEX. INS. CODE § 843.338 because it failed to pay prompt pay penalties on clean claims to providers.

It is ordered that Alpha Dental Programs, Inc. pay an administrative penalty of \$180,000 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

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

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Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
 County of San Francisco

Subscribed and sworn to (or affirmed) before me
 on this 20 day of June, 2018
 by Michael G. Hankinson
 (1) _____

(and (2) _____),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Place Notary Seal and/or Stamp Above

Signature Elizabeth R. Muzzy
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

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Title or Type of Document: Official Order of the Texas Commissioner of Insurance

Document Date: June 20, 2018 Number of Pages: 4

Signer(s) Other Than Named Above: None