

No. 2019 - 5853

**Official Order  
of the  
Texas Commissioner of Insurance**

**Date:** JAN 25 2019

**Subject Considered:**

Medical Benefits Administrators of MD, Inc.  
P.O. Box 950  
Forest Hill, Maryland 21047

Default Order  
SOAH Docket No. 454-19-1318.C  
TDI Enforcement File No. 15322

**General remarks and official action taken:**

The subject of this order is whether disciplinary action should be taken against Medical Benefits Administrators of MD, Inc.

The following findings of fact and conclusions of law are adopted:

**Findings of Fact**

Failure to Respond to Notice of Hearing

1. On November 26, 2018, the Texas Department of Insurance filed a Notice of Hearing, attached as Exhibit A, with the State Office of Administrative Hearings.
2. The department's factual allegations set out in the attached Notice of Hearing are incorporated in this order as findings of fact.
3. The department sent the Notice of Hearing to Respondent's last known address provided in writing to the department, P.O. Box 950, Forest Hill, MD 21047. Notice was also sent to one additional address associated with Respondent: 5460 Delta Road, Delta, PA 17314-9330.

4. Respondent failed to file a written response to the Notice of Hearing within 20 days of the date the Notice of Hearing was mailed.

## Conclusions of Law

1. The commissioner has jurisdiction pursuant to Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4151.051, 4151.056, 4151.205, 4151.206, 4151.212, 4151.301-4151.309; TEX. GOV'T CODE §§ 2001.051-2001.178; and 28 TEX. ADMIN. CODE §§ 7.1601, 7.1603, and 7.1609.
2. The commissioner has authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.
3. The department provided proper notice of the hearing pursuant to TEX. GOV'T CODE §§ 2001.051, 2001.052, and 2001.054, and 28 TEX. ADMIN. CODE §§ 1.28, 1.88, 1.89, and 19.906.
4. Based on Respondent's failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
5. The department's factual and legal allegations set out in the attached Notice of Hearing are incorporated in this order and deemed admitted as true pursuant to 28 TEX. ADMIN. CODE §1.89.

## Order

It is ordered that Medical Benefits Administrators of MD, Inc.'s third party administrator certificate of authority is revoked.

Kent C. Sullivan  
Commissioner of Insurance

By: \_\_\_\_\_

Doug Slape  
Chief Deputy Commissioner  
Commissioner's Order No. 2018-5528

**Affidavit****STATE OF TEXAS** §

§

**COUNTY OF TRAVIS** §

Before me, the undersigned authority, personally appeared Mary Ruiz, who, being by me duly sworn, deposed as follows:

"My name is Mary Ruiz and I am employed by the Texas Department of Insurance. I am of sound mind, capable of making this affidavit, and have personal knowledge of these facts which are true and correct.

I have reviewed TDI's records concerning Medical Benefits Administrators of MD, Inc. I have confirmed that:

- a. The last mailing address provided to the department in writing by Medical Benefits Administrators of MD, Inc. is P.O. Box 950, Forest Hill, MD 21047.
- b. The file maintained by the Enforcement Section of the Legal and Enforcement Division contains a Notice of Hearing dated November 26, 2018, which was filed with the State Office of Administrative Hearings.
- c. On November 26, 2018, a Notice of Hearing addressed to Medical Benefits Administrators of MD, Inc. was mailed first-class and certified, return receipt requested, to its last known address, its email addresses, and one additional address: 5460 Delta Road, Delta, PA 17314-9330.

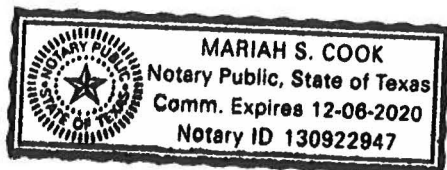
Copies of the first-class mail log and certified mail log maintained by the Enforcement Section are attached as Exhibit B and Exhibit C, respectively."

Mary Ruiz

Affiant

SWORN TO AND SUBSCRIBED before me on January 8, 2019.

(NOTARY SEAL)



Mariah S. Cook  
 Signature of Notary Public

MARIAH S. COOK  
 Printed Name of Notary Public

**SOAH DOCKET NO. 454-19-1318.C  
TDI ENFORCEMENT FILE NO. 15322****TEXAS DEPARTMENT OF INSURANCE,****Petitioner****v.****MEDICAL BENEFITS ADMINISTRATORS  
OF MD, INC.,****Respondent****BEFORE THE STATE OFFICE****OF****ADMINISTRATIVE HEARINGS****Notice of Hearing**

The Texas Department of Insurance (TDI) is seeking disciplinary action against you. A public hearing will be held before an Administrative Law Judge on Tuesday, February 19, 2019, at 9:00 a.m. The hearing will take place at the State Office of Administrative Hearings, located in the William P. Clements Building, 300 W. 15th Street, 4th Floor, Austin, Texas 78701.

The hearing shall be conducted pursuant to TEX. GOV'T CODE, ch. 2001 and 1 TEX. ADMIN. CODE, ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded.

**PARTIES THAT ARE NOT REPRESENTED BY AN ATTORNEY MAY OBTAIN INFORMATION REGARDING CONTESTED CASE HEARINGS ON THE PUBLIC WEBSITE OF THE STATE OFFICE OF ADMINISTRATIVE HEARINGS AT [WWW.SOAH.TEXAS.GOV](http://WWW.SOAH.TEXAS.GOV), OR IN PRINTED FORMAT UPON REQUEST TO SOAH.**

The commissioner of insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 4151.051, 4151.056, 4151.205, 4151.206, 4151.212, 4151.301-4151.309; TEX. GOV'T CODE §§ 2001.051-2001.178; and 28 TEX. ADMIN. CODE §§ 7.1601, 7.1603, and 7.1609.

**YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS**

**EXHIBIT****A**

tabbles

**DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT PURSUANT TO 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.**

**IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.**

**IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.**

Pursuant to 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, send copies of your written response to:

- (1) Docketing Division  
State Office of Administrative Hearings  
300 West 15th Street, Room 504  
P. O. Box 13025  
Austin, Texas 78711-3025  
(512) 322-2061 (Fax);
- (2) Chief Clerk  
Texas Department of Insurance, MC113-2A  
P. O. Box 149104  
Austin, Texas 78714-9104  
(512) 490-1064 (Fax)  
chiefclerk@tdi.texas.gov; and
- (3) Jeannie Ricketts  
Staff Attorney  
Texas Department of Insurance  
Enforcement Section, MC110-1A

P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 490-1020  
jeannie.ricketts@tdi.texas.gov.

### **Factual Allegations**

1. On February 26, 2003, TDI issued Medical Benefits Administrators of MD, Inc. third party administrator (TPA) certificate of authority no. 95768.
2. Medical Benefits Administrators of MD, Inc. is domiciled in Maryland. According to state of Maryland records, Medical Benefits Administrators of MD, Inc. forfeited its corporate charter on February 20, 2015. The Texas Secretary of State's website does not contain information on Medical Benefits Administrators of MD, Inc.
3. Medical Benefits Administrators of MD, Inc. failed to file its annual TPA reports with TDI and pay the associated \$200 filing fee by June 30<sup>th</sup> for the years 2013 through 2017.
4. On February 12, 2018, TDI sent Medical Benefits Administrators of MD, Inc. a notice of intention to institute disciplinary action. Medical Benefits Administrators, Inc. did not respond.

### **Legal Allegations**

1. Medical Benefits Administrators of MD, Inc. failed to timely file annual TPA reports by June 30<sup>th</sup> on a form prescribed by the commissioner, in violation of TEX. INS. CODE §§ 4151.205 and 4151.301(14), and 28 TEX. ADMIN. CODE § 7.1609.
2. Medical Benefits Administrators of MD, Inc. failed to pay the annual \$200 TPA filing fee in violation of TEX. INS. CODE § 4151.206(a)(3) and 28 TEX. ADMIN. CODE § 7.1609(a).
3. Medical Benefits Administrators of MD, Inc. failed to maintain at all times the qualifications for a certificate of authority, as required by TEX. INS. CODE § 4151.212 and 28 TEX. ADMIN. CODE § 7.1607(e).
4. Medical Benefits Administrators of MD, Inc. has willfully violated an insurance law of this state, as contemplated by TEX. INS. CODE § 4151.301(1).



Notice of Hearing  
Medical Benefits Administrators of MD, Inc.  
SOAH Docket No. 454-19-1318.C  
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5. Medical Benefits Administrators of MD, Inc. has willfully violated a commissioner rule, as contemplated by TEX. INS. CODE § 4151.301(10).

### **Relief Sought**

If one or more of the above allegations is found to be true, the commissioner may enter an order revoking your certificate of authority. You have the right to appear at this hearing and be represented by an attorney. Please address any questions and correspondence to the undersigned counsel at the address or telephone number below.

### **Important Security Notice**

**ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR'S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.**

If you have any questions, please contact me at the address or telephone number shown below.

Sincerely,

  
Jeannie Ricketts

Staff Attorney

State Bar No. 24041774

Texas Department of Insurance

Legal and Enforcement Division - Enforcement Section, MC110-1A

P.O. Box 149104

Austin, Texas 78714-9104.

(512) 676-6339 (Direct)

(512) 490-1020 (Fax)

jeannie.ricketts@tdi.texas.gov

cc: Elaine Cabrera, Program Specialist, Company Licensing and Registration Office  
Christian Hertzberg, Assist. Director, Company Licensing and Registration Office  
Beverly Rosendahl, Director, Life, Health Litigation Office

**Certificate of Service**

I, Jeannie Ricketts, certify that a true and correct copy of this *Notice of Hearing* was served by regular, first-class mail and by certified mail, return receipt requested, on this 26th day of November 2018, as follows:

Medical Benefits Administrators of MD, Inc.  
P.O. Box 950  
Forest Hill, MD 21047

Via CM/RRR No.:9214 8901 9403 8375  
5377 52

Ronald J. Wilson  
5460 Delta Road  
Delta, PA 17314-9330

Via CM/RRR No.:9214 8901 9403 8375  
5377 83

  
Jeannie Ricketts



**Check type of mail or service**

<input type="checkbox"/> Adult Signature Required	<input type="checkbox"/> Priority Mail Express
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail
<input type="checkbox"/> Certified Mail	<input type="checkbox"/> Return Receipt for Merchandise
<input checked="" type="checkbox"/> Certified Mail Restricted	<input type="checkbox"/> Signature Confirmation
<input type="checkbox"/> Collect on Delivery (COD)	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Priority Mail	

**Affix Stamp Here**  
(if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with  
**Date of Receipt**

USPS Tracking/Article Number		Address (Name, Street, City, State, & Zip Code)	Postage	(Extra Service) Fee	Handling Charge	Actual Value If Registered	Insured Value	Due Sender If COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
ricketts/15322		MEDICAL BENEFITS ADMINISTRATORS OF MD, INC. P.O. BOX 950 FOREST HILL, MD 21047 RONALD J. WILSON 5460 DELTA ROAD DELTA, PA 17314-9330	168 47		over \$50,000 in value										
Total Number of Pieces Listed by Sender		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)		<div>RECEIVED</div> <div>NOV 28 2018</div>		<div>Adult Signature</div> <div>Adult Signature Restrict</div> <div>Restricted Delivery</div> <div>Return Receipt</div> <div>Signature Confirmation</div> <div>Signature Confirmation Restricted Delivery</div> <div>Special Handling</div>		<div>neopost</div> <div>11/26/2018</div> <div>US POSTAGE \$002.80</div> <div>ZIP 78701</div> <div>041M12252405</div>		<div>OFFICIAL BUSINESS</div> <div>STATE OF TEXAS</div> <div>PENALTY FOR PRIVATE USE</div>		<div>NOV 26 2018</div> <div>78701</div>	

**Privacy Note:** For more information on USPS privacy policies, visit [usps.com/privacy-policy](https://usps.com/privacy-policy).





Name and Address of Sender

MC 110-1A M RUIZ  
Texas Department of Insurance  
333 Guadalupe St  
Austin Tx 78701

Check type of mail or service

- ☐ Adult Signature Required ☐ Priority Mail Express  
☐ Adult Signature Restricted Delivery ☐ Registered Mail  
☒ Certified Mail ☐ Return Receipt for Merchandise  
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation  
☐ Collect on Delivery (COD) ☐ Signature Confirmation Restricted Delivery  
☐ Insured Mail  
☐ Priority Mail

Affix Stamp Here

(if issued as an international  
certificate of mailing or for  
additional copies of this receipt).  
Postmark with Date of Receipt.

USPS Tracking/Article Number

Addressee (Name, Street, City, State, &amp; ZIP Code™)

Postage

(Extra  
Service)  
FeeHandling  
ChargeActual Value  
if RegisteredInsured  
ValueDue  
Sender if  
CODASR  
FeeASRD  
FeeRD  
FeeRR  
FeeSC  
FeeSCRD  
FeeSR  
Fee

1. 9214 8901 9403 8375 5377 52

MEDICAL BENEFITS ADMINISTRATORS OF MD INC PO Box 950 FOREST HILL

0.71

3.45

MD 21047

RICKETTS/15322

2. 9214 8901 9403 8375 5377 83

RONALD J WILSON 5460 DELTA ROAD DELTA PA 17314-9330

0.71

3.45

Handling Charge - if Registered and over \$50,000 in value

Adult Signature Required

Adult Signature Restricted Delivery

Restricted Delivery

Return Receipt

Signature Confirmation

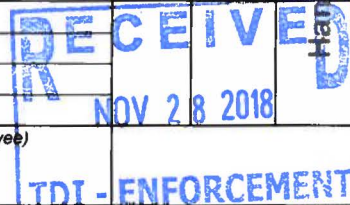
Signature Confirmation Restricted Delivery

Special Handling

Total Number of Pieces

Total Number of Pieces  
Received at Post Office

Postmaster, Rer (Name of receiving employee)



EXHIBIT

2019-5853

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# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 11/26/2018

Shipped From:

Name: MC 110-1A M RUIZ

Address: 333 GUADALUPE ST

City: AUSTIN

State: TX ZIP+4® 78701

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
<b>Total</b>	<b>2</b>

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

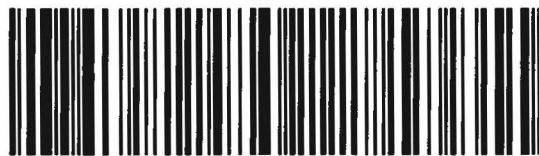
## B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0011 4341 69



RICKETTS/15322

