

No. 2019- 5935

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

**Date:** APR 16 2019

**Subject Considered:**

National Pacific Dental, Inc.  
9800 Health Care Lane  
MN017-E900  
Minnetonka, Minnesota 55343

Consent Order  
TDI Enforcement File No. 16590

**General remarks and official action taken:**

The subject of this order is whether disciplinary action should be taken against National Pacific Dental, Inc. (NPD).

**Waiver**

NPD acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. NPD 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 NPD a single service health maintenance organization (HMO) license number 5362, effective November 16, 1989.

## 2016 Triennial Examination

2. TDI conducted a triennial quality of care examination of NPD for the period beginning June 11, 2014, and ending December 31, 2016. Sample files reviewed during this examination were dated after the implementation of the required corrective action plan from the previous examination.
3. On March 5, 2018, TDI held an exit conference call with NPD to discuss the 2016 examination findings.

## Examination Findings

4. NPD failed to provide evidence that its complaint resolution letter contained a complete description of the process for appeal. This was similar to issues TDI previously identified in a 2014 examination of NPD.
5. NPD failed to provide evidence that re-credentialing of contracted providers was completed within three years of the previous credentialing decision. This was similar to issues TDI previously identified in a 2014 examination of NPD.
6. NPD failed to provide evidence that a copy of the current Drug Enforcement Agency (DEA) certificate was placed in the credentialing file. This was similar to issues TDI previously identified in a 2014 examination of NPD.
7. NPD failed to issue the adverse determination letter within three calendar days of receiving the request. This was similar to issues TDI previously identified in a 2014 examination of NPD.
8. NPD failed to provide evidence that the appeal acknowledgement letter included a list of relevant documents the appeal party must submit for review. This was similar to issues TDI previously identified in a 2014 examination of NPD.
9. NPD failed to correct its utilization review agent (URA) letters to include the correct name of the licensed URA who issued the adverse determination letters. This was similar to issues TDI previously identified in a 2014 examination of NPD.
10. NPD submitted a plan of correction to address the deficiencies cited in the final examination report issued by TDI on May 25, 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, 843.201, 843.248, 843.253, 843.258, 4201.101, 4201.206, and 4201.355; 28 TEX. ADMIN. CODE §§ 11.303, 11.1607, 11.1902, 19.1703, 19.1704, 19.1710, 19.1711, and 19.1718; 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. NPD 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. NPD violated TEX. INS. CODE § 843.253(b)(4) because it failed to provide evidence that its complaint resolution letter contained a complete description of the process for appeal.
5. NPD violated 28 TEX. ADMIN. CODE § 11.1902(4) because it failed to provide evidence that re-credentialing of contracted providers was completed within three years of the previous credentialing decision.
6. NPD violated 28 TEX. ADMIN. CODE § 11.1902(4) because it failed to provide evidence that a copy of the current DEA certificate was placed in the credentialing file.
7. NPD violated TEX. INS. CODE § 843.348 and 28 TEX. ADMIN. CODE § 19.1718(d)(1) because it failed to issue the adverse determination letter within three calendar days of receiving the request.
8. NPD violated TEX. INS. CODE § 4201.355(b)(2) and 28 TEX. ADMIN. CODE § 19.1711(a)(3)(c) because it failed to provide evidence that the appeal acknowledgement letter included a list of relevant documents the appeal party must submit for review.

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9. NPD violated TEX. INS. CODE § 4201.101 and 28 TEX. ADMIN. CODE § 19.1704 because it failed to correct its URA letters to include the correct name of the licensed URA that issued the adverse determination letters.

**Order**

It is ordered that National Pacific Dental, Inc. pay an administrative penalty of \$200,000 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

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

Recommended and reviewed by:



Leah Gillum, Associate Commissioner  
Enforcement Section



Bev Rosendahl, Director  
Enforcement Section

