

No. 2020-6303

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

Date: MAR 31 2020

Subject Considered:

Amerigroup Texas, Inc.
3800 Buffalo Speedway Suite 400
Houston, Texas 77098

Consent Order
TDI Enforcement File No. 17605

General remarks and official action taken:

This is a consent order with Amerigroup Texas, Inc. (Amerigroup) for new and repeat violations found in a triennial quality of care examination. Amerigroup was the subject of a previous consent order for violations found during a 2014 quality of care triennial examination and paid an administrative penalty of \$40,000. Amerigroup's current triennial quality of care examination found similar violations. Amerigroup has agreed to pay a \$75,000 administrative penalty.

Waiver

Amerigroup acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Amerigroup 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 Amerigroup a basic service health maintenance organization (HMO) license number 94502, effective January 25, 1996.

2014 Triennial Examination

2. TDI conducted a triennial quality of care examination of Amerigroup for the period beginning March 3, 2011, and ending June 11, 2014.
3. TDI issued the 2014 Triennial Final Examination Report on April 28, 2015.
4. Commissioner Order No. 4217, dated December 10, 2015, addressed numerous violations found during the 2014 triennial examination; seven of these were repeat violations identified in Amerigroup's first triennial examination in 2011. The order imposed an administrative penalty of \$40,000.

2016 Triennial Examination

5. TDI conducted another triennial quality of care examination of Amerigroup for the period beginning June 12, 2014, and ending December 31, 2016.
6. On May 3, 2018, TDI held an exit conference call with Amerigroup to discuss the 2016 examination findings. Sample files reviewed during this examination were dated after the implementation of Amerigroup's corrective action plan from the 2014 examination.
7. TDI issued the 2016 Triennial Final Examination Report on May 21, 2018.

2016 Examination Findings

8. TDI reviewed 10 adverse determination files to determine statutory compliance.
9. In nine instances, Amerigroup failed to provide evidence that its utilization review agent gave 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 letter. This was similar to issues TDI identified in the 2014 examination of Amerigroup and cited as a violation in Commissioner Order 4217.
10. Amerigroup failed to implement its 2016 examination corrective action plan within 90 days of receipt of the written final examination report because it did not timely file an access plan. While Amerigroup stated to TDI that it would file an access

plan to address this deficiency, Amerigroup has no proof that it filed an access plan with TDI.

11. Amerigroup submitted a corrective action plan to address the deficiencies cited in the final examination report issued by TDI on June 22, 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, and 4201.206; 28 TEX. ADMIN. CODE §§ 11.303, 19.1703, and 19.1710; and TEX. GOV'T CODE §§ 2001.051-2001.178.
 2. The commissioner has authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
 3. Amerigroup 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. Amerigroup violated TEX. INS. CODE § 4201.206 and 28 TEX. ADMIN. CODE §§ 19.1703(b)(26) and 19.1710 because it failed to provide evidence that its utilization review agent gave the provider of record a reasonable opportunity to discuss the plan of treatment for the enrollee with a physician, prior to issuing the adverse determination letter.
 5. Amerigroup violated 28 TEX. ADMIN. CODE § 11.303(d)(6) because it failed to implement its corrective action plan within 90 days of receipt of the written final examination report because it did not timely file an access plan.
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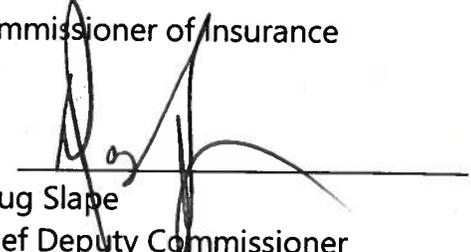
2020-6303

Commissioner's Order
Amerigroup Texas, Inc.
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Order

It is ordered that Amerigroup Texas, Inc. must pay an administrative penalty of \$75,000 within 30 days from the date of this order. The penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas" and sent to the Texas Department of Insurance, Attn: Enforcement, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.

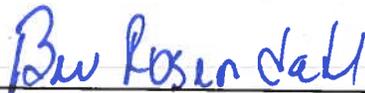
Kent C. Sullivan
Commissioner of Insurance

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

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Bev Rosendahl, Special Counsel
Enforcement Division

Affidavit

STATE OF Texas §
§

COUNTY OF Tarrant §

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

"My name is Patrick Sturdivant. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of Amerigroup Chief Executive Officer, Texas, and am the authorized representative of Amerigroup Texas, Inc. and I am duly authorized by said organization to execute this statement.

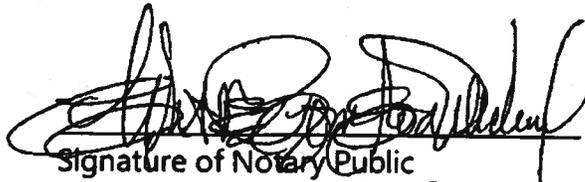
Amerigroup Texas, Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."


Affiant

SWORN TO AND SUBSCRIBED before me on January 30, 2020.

(NOTARY SEAL)




Signature of Notary Public

Christine Romero Villareal
Printed Name of Notary Public