OFFICE OF INSURANCE REGULATION

FILED
OCT 23 2013
OFFICE OF INSURANCE REGULATION
Received by

KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

DENTAL CARE ALLIANCE, LLC
d/b/a DENTRITE DENTAL SERVICES
_____/

CASE NO.: 128372-12

CONSENT ORDER

THIS CAUSE came on for consideration upon agreement between DENTAL CARE ALLIANCE, LLC (hereinafter referred to as "DCA") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Based on the representations made by the company and a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. DCA is a limited liability company registered in the state of Florida.
3. DCA does not hold a certificate of authority from the OFFICE in any capacity.
4. The OFFICE conducted an investigation of DCA pursuant to Section 636.058, Florida Statutes. As a result of such investigation, the OFFICE determined that DCA was in violation of Section 636.204, Florida Statutes, and its March 5, 2007, Consent Order.
5. A Cease and Desist Order was issued on January 11, 2013, requiring DCA to cease and desist from engaging in the unauthorized and unlicensed business of a discount medical plan organization in the state of Florida.

6. Subsequent to the issuance of the Cease and Desist Order, DCA provided certification that it complied with the terms of its March 5, 2007, Consent Order.

7. DCA also provided the OFFICE additional information regarding its business model and relationships with dental practices in the state of Florida, representing that it provides business support and administrative service to individual dental practices in the state of Florida. As a part of this agreement, DCA administered the Dentrite Plan for individual dental practices to provide in-house discount plans exclusively to the practice's own patients. DCA has further represented that the Dentrite Plans could not be used at dental offices other than the issuing practice's office(s).

8. In order to avoid future confusion regarding the nature of its business, DCA has contracted with Careington International Corporation ("CAREINGTON"), a Florida-licensed discount medical plan organization, to administer DCA's discount plans.

9. DCA expressly waives a hearing in this matter and the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to which the parties may be entitled by law or rules of the OFFICE. DCA hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

10. DCA agrees that, upon the execution of this Consent Order, it shall be subject to the following terms and conditions:

    a. DCA shall adopt and implement the plan outlined in its Plan of Action. Attached as "Exhibit A."

    b. DCA shall ensure that its operations are in compliance with Chapter 636, Florida Statutes, and any other relevant sections of the Florida Insurance Code.

c. DCA shall pay investigative costs of ten thousand dollars ($10,000) within thirty days of the execution of this Consent Order.

11. DCA agrees that failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject it to such administrative action as the OFFICE may deem appropriate.

12. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

WHEREFORE, the agreement between DCA and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this **23RD** day of **OCTOBER**, 2013.

KEVIN M. MCCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, DENTAL CARE ALLIANCE, LLC consents to entry of this Consent Order, agree without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind DENTAL CARE ALLIANCE, LLC to the terms and conditions of this Consent Order.

DENTAL CARE ALLIANCE, LLC

By: _____

Corporate Seal

Print Name: DAVID P. NICHOLS

Title: CO-CEO AND CFO

Date: October 16, 2013

STATE OF FLORIDA

COUNTY OF MANATEE

The foregoing instrument was acknowledged before me this 16th day of OCTOBER 2013, by DAVID P. NICHOLS, who is personally known to me or has produced the following identification _____.

DEBORAH H. WISE
MY COMMISSION # EE 162929
EXPIRES: December 16, 2015
Bonded Thru Notary Public Underwriters

Deborah H. Wise
Signature of Notary

[Notarial Seal]

DEBORAH H. WISE
Print or Type Name

My Commission Expires: DECEMBER 16, 2015

COPIES FURNISHED TO:

Paul P. Sanford, Esquire
Paul P. Sanford & Associates, P.A.
106 South Monroe Street
Tallahassee, Florida 32301
Attorney for Dental Care Alliance, LLC

Jim Pafford, Director
Florida Office of Insurance Regulation
Market Investigations
200 East Gaines Street, Room 645A-3
Tallahassee, Florida 32399-4210

Monica T. Ross, Esquire
Assistant General Counsel
Florida Office of Insurance Regulation
Legal Services Office
200 East Gaines Street, Suite 637C
Tallahassee, Florida 32399-42

FINANCIAL SERVICES COMMISSION

RICK SCOTT
GOVERNOR

JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF AGRICULTURE

OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

INVOICE

ADMINISTRATIVE PENALTY IMPOSED BY CONSENT ORDER

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Financial Services and **return this invoice with your payment** to:

Department of Financial Services
Revenue Processing Section
P.O. Box 6100
Tallahassee, Florida 32314-6100

REFERENCE

NAME:	Dental Care Alliance, LLC
ADDRESS:	6240 Lake Osprey Drive
CITY, STATE, ZIP:	Sarasota, FL 34240
FEID:	
FL COCODE:	
CASE #:	128372-12
ATTORNEY:	Monica T. Ross
SOURCE:	Market Investigations/Special Investigations Unit

Fine Due: ***$ 0.00***
Costs Due: ***$10,000.00***
Total Amount Due: ***$10,000.00***

Amount Remitted:

OFFICIAL USE ONLY – PLEASE DO NOT MARK BELOW THIS LINE]

B/T	T/C	F/T	AMOUNT
C	**1105**	J	$
C	**1249**	J+	$

EXHIBIT A

MEMORANDUM

TO:	**Monica T. Ross, Esq., Assistant General Counsel** **Florida Office of Insurance Regulation**
FROM:	**Paul P. Sanford, Esq.**
DATE:	**May 7, 2013**
SUBJECT:	**Florida Office of Insurance Regulation Case No. 128372-12** **Plan of Action by Dental Care Alliance, L.L.C.**

I. OBJECTIVE

The purpose of this plan of action (the "Plan of Action") submitted by Dental Care Alliance, L.L.C., is to eliminate any confusion and/or uncertainty regarding Advanced Dental Care of Florida's in-house discount dental plan (the "ADC-DentRite Plan") by proposing that **Careington** International Corporation, a Florida licensed Discount Medical Plan Organization, administer the ADC-DentRite Plan; to serve as a proposed means to conclude the above referenced matter; and to provide specific information in support of the stated objective.

II. BACKGROUND

On January 11, 2013 the Florida Office of Insurance Regulation ("OIR") served a copy of a Cease and Desist Order ("C&D Order") on Dental Care Alliance, L.L.C., advising of an investigation to be made of the alleged "discount medical plan activities of Dental Care Alliance, LLC d/b/a Dentrite Dental Services." Contrary to the allegations in the C&D Order, Dental Care Alliance, L.L.C., ("DCA") is not, and has not been, involved in the unlawful transaction of discount medical plans or any other insurance business in Florida. Thus, DCA submits the following additional background information to eliminate any confusion and/or uncertainty regarding the ADC-DentRite Plan and in support of the Plan of Action:

A. DentRite Dental Services, L.L.C.:

DentRite Dental Services, L.L.C., was administratively dissolved by the Florida Secretary of State on September 26, 2008, and no longer exists.

B. DCA:

DCA is a limited liability company registered in the State of Florida. DCA is a company engaged in the business of providing facilities, equipment,

administrative and business support services and other non-dental services for dental practices, including Advanced Dental Care of Florida. DCA is in full compliance with the Consent Order in Case No. 85797-06 (*See attached* "Exhibit A").

C. Advanced Dental Care:

Advanced Dental Care of Florida ("ADC") offers full-service dentistry combined with compassionate patient care at twenty-two locations in the State of Florida. ADC is owned and operated by licensed Florida dentists.

D. ADC-DentRite Plan:

The ADC-DentRite Plan is not dental insurance, but rather the in-house discount dental plan for each participating ADC dentist that provides significant savings on dental procedures for such ADC dentist's own patients. The ADC-DentRite Plan is exempt from licensing and regulation pursuant to Section 636.204(6), Florida Statutes, which provides: "Nothing in this part requires a provider who provides discounts to his or her own patients to obtain and maintain a license as a discount medical plan organization."

E. Careington International Corporation:

Careington International Corporation ("**Care**ington") has been a leader in the dental industry since 1979. With discount dental as its core focus for much of its thirty-year history, **Care**ington began incorporating additional discount health care, wellness and lifestyle products into its diverse discount product portfolio more than a decade ago. Mindful of its place in the discount market as a pioneer and an industry leader, **Care**ington take its role as a licensed and leading Discount Medical Plan Organization seriously. **Care**ington is licensed and registered as a Discount Medical Plan Organization ("DMPO") where required nationwide, including in the State of Florida. Additionally, **Care**ington is a founding and very active leading member of the Consumer Health Alliance ("CHA"), an industry trade association that has worked with many state governments to craft reasonable regulations for its industry. **Care**ington actively monitors legislation, regulation and interpretation through its very proactive involvement in CHA as well as through its own internal compliance processes. In its proactive approach to owning the role of DMPO for the clients it serves, **Care**ington take great pride in being the responsible party regarding DMPO compliance. As such, **Care**ington guides its clients through the regulatory environment and manages the necessary state filings to assure a compliant, clear and consumer-friendly discount program.

III. ASSIGNMENT OF RESPONSIBILITY

DCA seeks to eliminate any confusion and/or uncertainty regarding the ADC-DentRite Plan by proposing that **Care**ington, a Florida licensed DMPO, assume operation of the ADC-DentRite Plan and issue new contracts to all participants. In support of its Plan of Action, DCA submits the following information concerning its proposal, under which **Care**ington will provide:

- Immediate re-fulfillment for all active ADC-DentRite members at no-cost to ADC-DentRite members, announcing the new plan design, including additional member benefits, and issued on compliant, filed and approved member materials, contingent on approval from the OIR;

- Membership identification cards identifying that such member is a participant in the new plan in addition to pertinent telephone numbers for access to customer service;

- Full billing administration for the new plan including refunds, cancellations and customer service support;

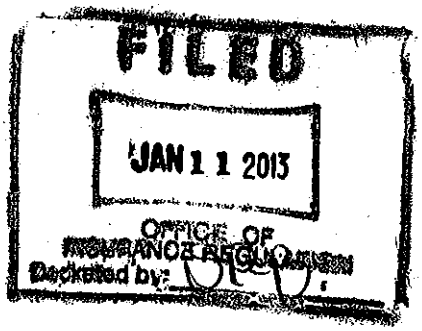
- All DMPO compliance related review, changes and filings for all materials and websites for marketing the new plan; and

- All marketing creation, review, compliance oversight and printing of new plan materials.

IV. CONCLUSION

In light of the foregoing, it is clear that the Plan of Action will eliminate any confusion and/or uncertainty regarding the ADC-DentRite Plan. As such, DCA respectfully requests the OIR's consent to the Plan of Action as a means to conclude the above referenced matter.

OFFICE OF INSURANCE REGULATION



KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 128372-12

DENTAL CARE ALLIANCE, LLC d/b/a
DENTRITE DENTAL SERVICES
_____/

CEASE AND DESIST ORDER

TO:

DENTAL CARE ALLIANCE, LLC
6240 Lake Osprey Drive
Sarasota, FL 34240

YOU ARE HEREBY NOTIFIED that pursuant to the Florida Insurance Code, the STATE OF FLORIDA OFFICE OF INSURANCE REGULATION (the "OFFICE") has caused an investigation to be made of the discount medical plan activities of DENTAL CARE ALLIANCE, LLC d/b/a DENTRITE DENTAL SERVICES (hereinafter "DCA"). Pursuant to Sections 624.307, 636.206, 636.244 and 626.901, Florida Statutes, the OFFICE intends to enter an order requiring DCA to cease and desist from engaging in the unauthorized and unlicensed business of a discount medical plan organization in the state of Florida. As grounds therefore, the OFFICE alleges that:

1. The OFFICE has jurisdiction over the subject matter hereof and parties to this proceeding.

2. DCA is a limited liability company registered in the state of Florida. Its principal place of business is located at 6240 Lake Osprey Drive, Sarasota, FL 34240.

3. DCA offers its Dentrite discount dental plan via its website, www.dentrite.com. The Dentrite plan's contact information page lists its address as 6240 Lake Osprey Drive, Sarasota, FL 34240.

4. The website states that "[m]embers will receive discounted services by presenting their membership card at any one of our participating providers."

5. The Dentrite plan's participating providers include 4 dental practices which are located at a combined 25 locations in various cities throughout the state of Florida.

COUNT I

6. Paragraphs 1-5 are realleged and incorporated by reference.

7. Section 636.202(2), Florida Statutes, provides:

> "Discount medical plan organization" means an entity which, in exchange for fees, dues, charges, or other consideration, provides access for plan members to providers of medical services and the right to receive medical services from those providers at a discount.

8. Section 636.202(4), Florida Statutes, provides:

> "Medical services" means any care, service, or treatment of illness or dysfunction of, or injury to, the human body, including, but not limited to, physician care, inpatient care, hospital surgical services, emergency services, ambulance services, dental care services, vision care services, mental health services, substance abuse services, chiropractic services, podiatric care services, laboratory services, and medical equipment and supplies. The term does not include pharmaceutical supplies or prescriptions.

9. Section 636.202(6), Florida Statutes, provides:

> "Provider" means any person or institution which is contracted, directly or indirectly, with a discount medical plan organization to provide medical services to members.

10. Section 636.204, Florida Statutes, provides:

> Before doing business in this state as a discount medical plan organization, an entity must be a corporation, a limited liability company, or a limited partnership, incorporated, organized, formed, or registered under the laws of this state or authorized to transact business in this state in accordance with chapter 607, chapter 608, chapter 617, chapter 620, or chapter 865, and must

> be licensed by the office as a discount medical plan organization or be licensed by the office pursuant to chapter 624, part I of this chapter, or chapter 641.

11. Despite the fact that DCA has never been granted a license to do business in this state as a discount medical plan organization, DCA, in exchange for fees, provides Dentrite plan members access to its participating dental care service providers.

12. DCA is not a dental care service provider; therefore its activities are not exempt by Section 636.204(6), Florida Statutes, which provides that "nothing in this part requires a provider who provides discounts to his or her own patients to obtain and maintain a license as a discount medical plan organization."

WHEREFORE, because DCA offers discount medical plans in the state of Florida, it is in violation of Section 636.204, Florida Statutes, and the OFFICE intends to issue a Final Order requiring DCA to cease and desist from engaging in the unlawful transaction of discount medical plans in the state of Florida.

COUNT II

13. Paragraphs 1-12 are realleged and incorporated by reference.

14. In 2006, the OFFICE conducted an investigation into DCA's activities in the state of Florida. As a result, it was determined that DCA was conducting business as a discount medical plan organization, in violation of Section 636.204, Florida Statutes.

15. On March 5, 2007, the OFFICE and DCA entered into a Consent Order resolving issues related to its unauthorized activities in the state of Florida.

16. The conditions of the Consent Order included, but were not limited to requiring DCA to:

a. Rescind and refund all contracts renewed or executed with Florida residents on or after March 31, 2005.

b. Remove the language under the "Florida Residents Notice" on its website, except only to state that Florida law requires discount medical plan organizations to obtain a license from the OFFICE in order to provide discount medical services in Florida and that DCA is not licensed in Florida to offer those services.

c. Cease and desist from the transaction of any new or renewal unlicensed discount medical plan or other insurance business in the state of Florida, which includes soliciting or accepting contact information or applications from Florida residents.

17. Despite having agreed to the above-referenced conditions, DCA has

a. issued Dentrite plans to Florida consumers, in violation of Section 636.204, Florida Statutes,

b. has failed to include a notice on its website that discount medical plan organization in Florida are required to obtain a license from the Office, and

c. has continued to solicit and accept contact information and applications from Florida residents.

18. Accordingly, DCA has failed to comply with the terms in conditions of the 2007 Consent Order.

WHEREFORE, because DCA has violated a lawful order of the Office by failing to comply with the terms and conditions of its 2007 Consent Order, the OFFICE intends to enter a Final Order to Cease and Desist and require DCA to pay administrative costs and penalties.

DONE AND ORDERED this 11TH day of JANUARY, 2013.

KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and

b) A statement of when the respondent received notice of the agency's action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Cease and Desist Order has been furnished by U.S. Certified Mail this 11 day of January, 2013 to:

DENTAL CARE ALLIANCE, LLC
6240 Lake Osprey Drive
Sarasota, FL 34240

PAUL P. SANFORD, ESQUIRE
106 South Monroe Street
Tallahassee, FL 32301
Counsel for Dental Care Alliance

MONICA T. ROSS
Assistant General Counsel
Fla. Bar. No.: 56988
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612 Larson Building
200 East Gaines Street
Tallahassee, Florida 32399-4206
(850) 413-4159