



THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

**FILED**  
JUL 25 2002  
TREASURER AND  
INSURANCE COMMISSIONER  
Docketed by: *SS*

TOM GALLAGHER

IN THE MATTER OF:

CASE NO. 61572-02-CO

FLORIDA HEALTH CARE PLAN, INC.

**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between **FLORIDA HEALTH CARE PLAN, INC.** (hereinafter referred to as "**FLORIDA HEALTH**") and the **FLORIDA DEPARTMENT OF INSURANCE**, (hereinafter referred to as the "**DEPARTMENT**"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the undersigned hereby finds as follows:

1. The **DEPARTMENT** has jurisdiction over the subject matter of, and parties to, this proceeding.
2. **FLORIDA HEALTH** is authorized to transact business in this State as a health maintenance organization subject to the jurisdiction and regulation of the **DEPARTMENT** in accordance with the Florida Insurance Code.
3. Pursuant to complaints received by the **DEPARTMENT**, a target market conduct examination was conducted pursuant to Section 641.27, Florida Statutes. As a result of such investigation and examination, the **DEPARTMENT**

determined that **FLORIDA HEALTH** violated the following provision of the Florida Insurance Code, to wit:

1. Section 641.3155(2), Florida Statutes (1999): Failure to pay Interest on Late Paid Claims.

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

5. **FLORIDA HEALTH** agrees that the failure to adhere to one or more of the above terms and conditions of this Order shall constitute a violation of a lawful order of the **DEPARTMENT**, and shall subject **FLORIDA HEALTH** to such administrative action as the **DEPARTMENT** may deem appropriate.

6. **FLORIDA HEALTH** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **FLORIDA HEALTH** shall henceforth comply with all of the provisions of the Florida Insurance Code.

(b) **FLORIDA HEALTH** is hereby placed on notice of the requirements of the above referenced section of law and agrees that any future violations of this section by **FLORIDA HEALTH** may be deemed willful, subjecting **FLORIDA HEALTH** to appropriate penalties.

(c) **FLORIDA HEALTH** shall undertake corrective action to establish and implement procedures to assure that all claims are processed in accordance with Section 641.3155(3), Florida Statutes (2001). **FLORIDA HEALTH** shall submit for the Department's review a revision to its policies and procedures regarding claims payments to implement the aforementioned corrective actions no later than thirty (30) days following the issuance of this Consent Order. The Company must document payment of interest for all claims not timely processed going back to October 1, 1998.

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

THEREFORE, the agreement between **FLORIDA HEALTH CARE PLAN, INC.** and the **DEPARTMENT**, consisting of the terms and conditions set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 25<sup>th</sup> day of July, 2002.



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KEVIN MCCARTY  
DEPUTY INSURANCE COMMISSIONER



COPY FURNISHED TO:

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