



FILED

JUN 14 2007

**OFFICE OF
INSURANCE REGULATION**

OFFICE OF INSURANCE REGULATION Docketed by: D.S.

IN THE MATTER OF:

CASE NO.: 89706-07-CO

HEALTH OPTIONS, INC.

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between HEALTH OPTIONS, INC. (hereinafter referred to as "HEALTH OPTIONS") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following 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. HEALTH OPTIONS is a domestic health maintenance organization authorized to transact insurance business in Florida, and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE has conducted an investigation of HEALTH OPTIONS pursuant to Section 641.3905, Florida Statutes. As a result of the investigation, the OFFICE has determined that HEALTH OPTIONS raised its rates for HMO Conversion A and Conversion B policyholders during periods other than contract renewal in violation of the following Florida Statutes and Florida Administrative Code Sections:

a. pursuant to Section 641.3903(10)(b) Florida Statutes, insurers may not collect premiums, or charges for health maintenance coverage, in excess of the HMO's application classifications and rates filed and approved by the OFFICE, and as specified in the health maintenance contract;

b. pursuant to Rule 690-191.055(3)(b)14, Florida Administrative Code, rate changes may occur only on contract renewal; and

c. pursuant to Rule 690-191.033(1)(b), Florida Administrative Code, the benefit and renewal periods shall be no less than twelve months for non-group and group subscriber contracts.

4. HEALTH OPTIONS expressly waives its right to a hearing in this matter, 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. HEALTH OPTIONS 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.

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

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

a. HEALTH OPTIONS shall pay a penalty of twenty-five thousand dollars (\$25,000) and administrative costs of three thousand dollars (\$3,000) on or before the thirtieth (30th) day after which this Consent Order is executed.

b. HEALTH OPTIONS shall, within thirty (30) days of execution of this Consent Order, refund the difference in premium to all Conversion A and Conversion B policyholders affected by rate increases effective on dates other than their contract anniversary dates. If HEALTH OPTIONS has previously made the refunds required in this sub-paragraph, 6.b., HEALTH OPTIONS shall provide documentation as described in sub-paragraph 6.c. that such refunds were made to policyholders.

c. HEALTH OPTIONS shall, within sixty (60) days of execution of this Consent Order provide a report, certified by an officer of the Company to be true and correct, confirming that HEALTH OPTIONS has paid each affected conversion policyholder, a refund or credit of the difference of premium. This report will include the policyholder name, policy number, address, effective date, amount of premium difference refunded or credited, and the date paid.

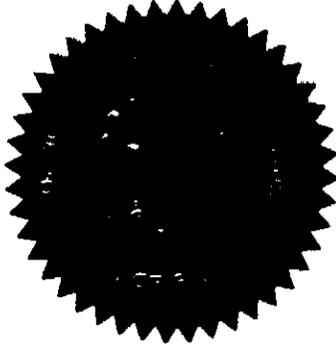
d. HEALTH OPTIONS is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these sections or the statutes named therein by HEALTH OPTIONS may be deemed willful, subjecting HEALTH OPTIONS to the appropriate penalties associated therewith.

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

WHEREFORE, the agreement between HEALTH OPTIONS, INC. and the OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 14th day of June 2007..



Meyn M. McCarty, Commissioner
Office of Insurance Regulation

By execution hereof HEALTH OPTIONS, INC. consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind HEALTH OPTIONS, INC to the terms and conditions of this Consent Order.

HEALTH OPTIONS, INC

Corporate Seal

By: Randy M. Kammer
Print or Type Name

Title: V.P. Regulatory Affairs
Date: 6/6/07

Public Policy

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 6th day of JUNE 2007,
by RANDY M. KAMMER as OFFICER
(Name of person) (type of authority.... e.g. officer, trustee attorney in fact)

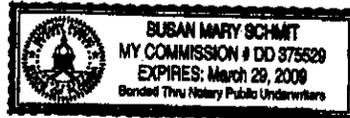
for HEALTH OPTIONS, INC.
(company name)

(Signature of the Notary)
SUSAN MARY SCHMIT
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X or Produced Identification _____
Type of Identification Produced _____

[NOTARIAL SEAL]

My Commission Expires:



COPIES FURNISHED TO:

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