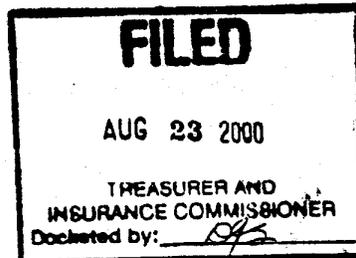




THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

BILL NELSON



IN THE MATTER OF:

CASE NO.: 34297-00-CO

PHYSICIAN HEALTHCARE PLANS, INC.

**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between PHYSICIAN HEALTHCARE PLANS, INC. (hereinafter referred to as "PHYSICIANS") 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 Treasurer and Insurance Commissioner, as head of the FLORIDA DEPARTMENT OF INSURANCE, hereby finds as follows:

1. The Treasurer and Insurance Commissioner, as head of the DEPARTMENT, has jurisdiction over the subject matter of, and parties to, this proceeding.
2. PHYSICIANS 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 Sections 624.307, 624.318, 641.27 and 641.3907,

Florida Statutes. As a result of such investigation and examination, the DEPARTMENT determined that PHYSICIANS violated the following provisions of the Florida Insurance Code:

- (a) Section 641.3155(1), Florida Statutes; and
- (b) Section 641.3155(2), Florida Statutes.

The aforementioned violations are considered to be non-willful.

4. The DEPARTMENT and PHYSICIANS 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. PHYSICIANS 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. Further, any and all pending controversies involving PHYSICIANS and the DEPARTMENT regarding the DEPARTMENT'S Order to Show Cause dated March 30, 2000, pending before the Division of Administrative Hearings in Case Number 00-1893, will be deemed to be resolved upon issuance of this Consent Order and the parties shall immediately dispose of all pending controversies.

5. PHYSICIANS 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 PHYSICIANS to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

- (a) PHYSICIANS shall pay an administrative penalty in the amount of Fifty Thousand Dollars (\$50,000) on or before the 30th day after this Consent Order is executed.

(b) PHYSICIANS shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Administrative Code;

(c) PHYSICIANS is hereby placed on notice of the requirements of the above-referenced sections of law and agrees that any future violations of these sections by PHYSICIANS may be deemed willful, subjecting PHYSICIANS to appropriate penalties; and

(d) PHYSICIANS shall undertake corrective action to establish and implement procedures to assure that all claims are processed in a timely fashion in accordance with Sections 641.3155(1) and 641.3155(2), Florida Statutes. Further, PHYSICIANS shall undertake to make certain that all claims by providers are properly coordinated with other insurers and/or self-insurers in accordance with all applicable statutes and rules. PHYSICIANS shall submit for the Department's review a revision to its policies and procedures regarding claims payments to implement the aforementioned corrective action and proper coordination of benefits no later than thirty (30) days following the issuance of this Consent Order,

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

8. THEREFORE, the agreement between PHYSICIAN HEALTHCARE PLANS, 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 23<sup>rd</sup> day of August, 2000.



  
BILL NELSON  
Insurance Commissioner  
and Treasurer

By execution hereof, PHYSICIAN HEALTHCARE PLANS, INC. consents to the 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 PHYSICIAN HEALTHCARE PLANS, INC. to the terms and conditions of this Consent Order.

By: 

Alfred B. Fernandez  
Printed or Typed Name

Title:

Chairman & CEO

Date:

August 17, 2000

Corporate Seal

COPIES FURNISHED TO:

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