



FILED

JUL 11 2002

TREASURER AND
INSURANCE COMMISSIONER
Docketed by: SS

THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

WELL CARE HMO, INC.

CASE NO. 61372-02-CO

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **WELL CARE HMO, INC.** (hereinafter referred to as "**WELL CARE**") 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. **WELL CARE** 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 examination, the **DEPARTMENT** determined that

WELL CARE violated the following provisions of the Florida Insurance Code, to wit:

1. Section 641.3155(2), Florida Statutes (1999): Failure to Pay Interest on Late Paid Claims.
2. Sections 641.3155(1), 641.3901 and 641.3903(5)(c) 1. & 4., Florida Statutes (1999): Failure to Adopt and Implement Standards For Proper Investigation of Workers' Compensation Claims.
3. Section 641.3155(2), Florida Statutes (1999): Failure to Properly Calculate Interest.
4. Section 641.3108(2), Florida Statutes (1999): Failure to Timely Provide Termination Notices.

4. The **DEPARTMENT** and **WELL CARE** 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. **WELL CARE** 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. **WELL CARE** 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 **WELL CARE** to such administrative action as the **DEPARTMENT** may deem appropriate.

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

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

(b) **WELL CARE** 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 **WELL CARE** may be deemed willful, subjecting **WELL CARE** to appropriate penalties.

(c) **WELL CARE** shall undertake corrective action to establish and implement procedures to assure that interest is timely and properly paid on all claims in accordance with Sections 641.3155(3), Florida Statutes (2001). Further, **WELL CARE** 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. **WELL CARE** shall undertake to make certain that termination notices are sent in a timely fashion in accordance with Section 641.3108(2), F.S. **WELL CARE** shall submit for the Department's review a revision to its policies and procedures regarding claims payments to implement the aforementioned corrective action, proper coordination of benefits, and the sending of termination notices 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 **WELL CARE HMO, 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 11th day of July, 2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof, **WELL CARE HMO, 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 **WELL CARE HMO, INC.** to the terms and conditions of this Consent Order.

WELL CARE HMO, INC.

By: _____

Pradip C. Patel

Print or Type Name

Title: _____

President

Date: _____

7/11/02

Corporate Seal