



FILED

MAR 03 2021

INSURANCE REGULATION
Docketed by: 

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 277084-21-CO

Application for the Issuance of a Certificate of Authority as a
Health Maintenance Organization to HPMP OF FLORIDA, INC.
d/b/a Florida Complete Care

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by HPMP OF FLORIDA, INC. (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application as a provider service network for the issuance of a Certificate of Authority to operate as a Health Maintenance Organization pursuant to Section 641.2019 and Part I of Chapter 641, Florida Statutes, (“Application”). 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 and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting to it of a Certificate of Authority to operate as a Health Maintenance Organization pursuant to Part I of Chapter 641, Florida Statutes.
3. APPLICANT is a provider service network and a for-profit corporation organized in Florida, and a wholly owned subsidiary of INDEPENDENT LIVING SYSTEMS, LLC (“ILS”), which is ultimately controlled by OAK ASSOCIATES XIII, LLC (“OAK ASSOCIATES”),

SEMA4, INC. (“SEMA4”), and FORDHAM HOLDINGS, INC. (“FHI”), and whose ownership is otherwise as disclosed in the Application.

4. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI shall cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE, or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of APPLICANT without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

5. The OFFICE has relied upon the representations found in the Plan of Operations and supporting documents that APPLICANT has submitted with its Application. Written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operations. A material deviation includes, but is not limited to, expansion into other service areas, expanding into business other than Medicare Advantage, or exceeding the financial projections filed with the Application.

6. APPLICANT represents that none of its funds or assets are currently pledged, committed, or encumbered and that said funds and assets shall remain free and clear of any and all liens and encumbrances unless prior written approval to pledge, commit, or encumber said funds or assets is obtained from the OFFICE. Additionally, APPLICANT shall not be included as a guarantor of any loan unless prior written approval is obtained from the OFFICE.

7. APPLICANT shall maintain at all times a ratio of premium and risk revenue to capital and surplus not greater than 10:1. APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI agree that APPLICANT's failure to maintain compliance at all times with this writing ratio requirement would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as the OFFICE deems appropriate upon the Certificate of Authority of APPLICANT without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

8. APPLICANT has been capitalized with an initial contribution from ILS in the amount of \$10,000,000 United States Dollars ("USD"). APPLICANT and ILS represent that subsequent to the OFFICE's approval of this Application, ILS will provide additional capital to the APPLICANT, if needed, to maintain compliance with surplus requirements of Sections 641.225 and 624.4085, Florida Statutes.

9. The OFFICE has relied upon APPLICANT's projected financial statements filed with the Application. APPLICANT shall be required at all times to maintain capital and surplus as required by Section 641.225, Florida Statutes. APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI agree that failure to maintain compliance at all times with this capital and surplus requirement would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as it deems appropriate upon the Certificate of Authority of APPLICANT without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

10. APPLICANT shall file a Risk Based Capital Report with each annual filing beginning with the 2021 annual statement filing with the OFFICE and the National Association of Insurance Commissioners ("NAIC"). Notwithstanding other applicable surplus requirements,

APPLICANT agrees that it shall comply with the Risk Based Capital requirements described in Section 624.4085, Florida Statutes.

11. APPLICANT shall file quarterly actuarial certifications with the OFFICE for 1 year, beginning in 2022. The OFFICE may, in its discretion, extend the period of time for which quarterly actuarial certifications must be filed. Each quarterly certification shall be due on the same day that the corresponding quarterly financial statement is due.

12. All quarterly and annual financial statements filed by APPLICANT with the OFFICE shall report all assets in accordance with the NAIC Accounting Practices and Procedures Manual, pursuant to Section 641.183, Florida Statutes.

13. APPLICANT agrees that all material contracts with any affiliates or officer or director of APPLICANT, as defined in Section 641.19(1), Florida Statutes, and all amendments to such contracts, written or oral, shall be submitted to the OFFICE for approval prior to execution or consummation.

14. APPLICANT represents that it has submitted all agreements related to the ownership or management of APPLICANT and there are no other agreements, written or oral, that have not been provided to the OFFICE.

15. APPLICANT agrees to notify the OFFICE in writing within 5 business days of any change in any agreement referenced in paragraphs 13 and 14 of this Consent Order or any agreement with a reinsurer or third-party administrator.

16. APPLICANT shall notify the OFFICE in writing of any dispute between APPLICANT and any reinsurer, hospital, or third-party administrator, within 10 business days of notice of the dispute to or from the reinsurer, hospital, or third-party administrator.

17. Any amounts due to APPLICANT from a Medical Service Organization as part of a risk sharing agreement shall be non-admitted at all times on all financial statements filed by APPLICANT with the OFFICE.

18. For 3 years from the date of execution of this Consent Order, APPLICANT shall obtain prior written approval from the OFFICE of any plan to appoint or elect a person as an officer or director of APPLICANT who was not an officer or director of APPLICANT at the time this Consent Order is executed. This requirement may be extended by written notice from the OFFICE. Additionally, APPLICANT shall notify the OFFICE within 10 days of any change, including termination or resignation, of any officer or director. APPLICANT agrees that failure to remedy any officer or director vacancy within a timeframe acceptable to the OFFICE would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as the OFFICE deems appropriate upon the Certificate of Authority of APPLICANT without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

19. APPLICANT shall be subject to a full financial examination each year for the first 3 years of operations.

20. APPLICANT agrees to comply with the provisions of Sections 624.318 and 641.27, Florida Statutes, regarding examinations.

21. APPLICANT has filed with the Department of Financial Services, Division of Insurance Fraud, its anti-fraud plan pursuant to Section 641.3915, Florida Statutes. APPLICANT shall continue to maintain an anti-fraud plan that complies with Section 641.3915, Florida Statutes.

22. APPLICANT shall notify the OFFICE within 10 business days of any breach, non-performance of, or default under, any servicing agreement with any reinsurer, affiliates, or third

party vendors providing services, directly or indirectly, to APPLICANT that could result in or cause a material adverse change in the financial condition, business performance, operations, or property of APPLICANT.

23. APPLICANT has provided an acknowledgement as part of its Application that contains the provisions required by Section 641.215, Florida Statutes. In the acknowledgement, APPLICANT:

(a) Acknowledges that a delinquency proceeding pursuant to Part I of Chapter 631, Florida Statutes, or supervision by the OFFICE pursuant to Sections 624.80 through 624.87, Florida Statutes, constitutes the sole and exclusive method for the liquidation, rehabilitation, reorganization, or conservation of a Health Maintenance Organization;

(b) Waives any right to file or be subject to a bankruptcy proceeding; and

(c) Acknowledges that the commencement of a bankruptcy proceeding either by or against APPLICANT shall, by operation of law, terminate APPLICANT's Certificate of Authority and vest in the OFFICE, for the use and benefit of the subscribers of APPLICANT, the title to any deposits of APPLICANT held by the Department of Financial Services. The Affidavit and acknowledgments contained therein, are material to the issuance of this Consent Order.

24. APPLICANT shall, within 10 business days of the execution of this Consent Order, register with the NAIC.

25. APPLICANT shall file with the OFFICE, via the NAIC electronic filing system, quarterly and annual financial statements in accordance with Section 641.26, Florida Statutes. All statements shall be in the current NAIC Health Blank format.

26. APPLICANT shall not permit any entity to act on its behalf, either directly or indirectly, as an Administrator, as defined in Section 626.88, Florida Statutes, unless that entity is licensed as an Administrator by the OFFICE.

27. APPLICANT shall not enter into any reinsurance or brokerage agreement, whether affiliated or not affiliated, that requires approval from the reinsurance or broker regarding any potential sale of APPLICANT.

28. Beginning in February 2021, APPLICANT shall file with the OFFICE, via the OFFICE's Regulatory Electronic Filing System ("REFS"), monthly financial statements until such time as APPLICANT has filed an annual statement demonstrating profitability. The monthly financial statements are due on or before the 25th day of the month following the period ending date. The monthly financial statements shall include the fully executed Jurat Page, Assets, Liabilities, Capital and Surplus, Statement of Revenues and Expenses, Cash Flow and Exhibit of Premiums, Enrollment and Utilization. The Statement of Revenues and Expenses and Cash Flow shall be filed on a cumulative year-to-date basis for monthly statements. All statements shall be in the current NAIC's Health Blank format.

29. APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI affirm that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the licensure and future operations of APPLICANT. APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and

supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

30. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such written approval by the OFFICE is subject to statutory or administrative regulation limitations.

31. APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings to which they may be entitled by law or rules of the OFFICE. APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

32. APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI affirm that all requirements set forth herein are material to the issuance of this Consent Order.

33. APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon APPLICANT's Certificate of Authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

34. Each party to this action shall bear its own costs and fees.

35. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signatures of the authorized representatives of APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI,

notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT, ILS, OAK ASSOCIATES, SEMA4, and FHI agree that the signatures of their authorized representatives as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, the agreement between HPMP OF FLORIDA, INC., INDEPENDENT LIVING SYSTEMS, LLC, OAK ASSOCIATES XIII, LLC, SEMA4, INC., FORDHAM HOLDINGS, INC., and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED, and the Application for issuance of a Certificate of Authority to transact insurance in Florida as a Health Maintenance Organization, pursuant to Section 641.2019 and Part I of Chapter 641, Florida Statutes, is APPROVED.

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

DONE and ORDERED this 3rd day of March ~~February~~ 2021.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, HPMP OF FLORIDA, 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 that they have the authority to bind HPMP OF FLORIDA, INC., to the terms and conditions of this Consent Order.



HPMP OF FLORIDA, INC.,

By: Nestor J. Plana

Print Name: Nestor J. Plana

Title: CEO

Date: 3/1/2021

STATE OF Florida
COUNTY OF Miami Dade

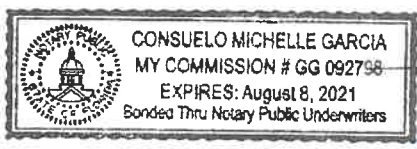
The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 1 day of March 2021, by Nestor J. Plana

as CEO for HPMP of Florida, Inc.

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)



Consuelo Michelle Garcia
(Signature of the Notary)

Consuelo Michelle Garcia
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 8-8-2021

By execution hereof, INDEPENDENT LIVING SYSTEMS, LLC, 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 that they have the authority to bind INDEPENDENT LIVING SYSTEMS, LLC, to the terms and conditions of this Consent Order.

INDEPENDENT LIVING SYSTEMS, LLC



By: Nestor J. Plaia
Print Name: Nestor J. Plaia
Title: CEO
Date: 3/1/2021

STATE OF Florida
COUNTY OF Miami Dade

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 1 day of March 2021, by Nestor J. Plaia
(name of person)
as CEO for Independent Living Systems, LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Consuelo Michelle Garcia
(Signature of the Notary)

Consuelo Michelle Garcia
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____
Type of Identification Produced _____
My Commission Expires: 8-8-2021

By execution hereof, SEMA4, 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 that they have the authority to bind SEMA4, INC., to the terms and conditions of this Consent Order.

SEMA4, INC

By:

Handwritten signature of Mark S. DiSalvo

[Corporate Seal]

Print Name: Mark S. DiSalvo

Title: President

Date: 2/26/2021

STATE OF New Hampshire

COUNTY OF Rockingham

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 1st day of March 2021, by Mark S. DiSalvo

(name of person)

as President and CEO

for

Sema4, Inc.

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

Handwritten signature of Louise M. Martineau

(Signature of the Notary)

Louise M. Martineau

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: December 2, 2025

By execution hereof, FORDHAM HOLDINGS, 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 that they have the authority to bind FORDHAM HOLDINGS, INC., to the terms and conditions of this Consent Order.

FORDHAM HOLDINGS, INC

By: Nestor J. Plana

[Corporate Seal]

Print Name: Nestor J. Plana

Title: President

Date: 3/1/2021

STATE OF Florida

COUNTY OF Miami-Dade

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 1 day of March 2021, by Nestor J. Plana (name of person) as CEO (type of authority; e.g., officer, trustee, attorney in fact) for Fordham Holdings, Inc. (company name)



Consuelo Michelle Garcia
(Signature of the Notary)

Consuelo Michelle Garcia
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced _____

My Commission Expires: 8-8-2021

COPIES FURNISHED TO:

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