



OFFICE OF INSURANCE REGULATION

**FILED**

**MAR 6 2014**

KEVIN M. McCARTY  
COMMISSIONER

OFFICE OF  
INSURANCE REGULATION  
Docketed by: SPD

IN THE MATTER OF:

AVMED, INC.  
2012 Market Conduct Examination

Case No.: 144405-13

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between AVMED, INC. (hereinafter referred to as "AVMED") 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. AVMED is authorized to transact business in Florida as a health maintenance organization.

3. The OFFICE conducted a market conduct examination of AVMED, pursuant to Section 641.27, Florida Statutes, which included the review of 368 claim files. As a result, the OFFICE has determined that AVMED has violated the following provisions of the Florida Insurance Code:

- (a) Section 641.3155(3)(a) and 641.3155(4)(a), Florida Statutes – In 36 instances, AVMED failed to provide timely acknowledgement of the receipt of out-of-network claims.

(b) Section 641.3155(3)(b) and 641.3155(4)(b), Florida Statutes – In 34 instances, AVMED failed to pay, deny, or contest out-of-network claims within the required timeframe.

(c) Section 641.3903(5)(b), Florida Statutes – In one instance, AVMED paid an out-of-network claim on less favorable terms than those provided in the subscriber's Schedule of Benefits.

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

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

- (a) AVMED shall pay a penalty of twenty-four thousand (\$24,000) and administrative costs of three thousand dollars (\$3,000) on or before the 30th day after this Consent Order is executed.
- (b) AVMED shall provide to the OFFICE certification by an officer of the Company that corrective actions requested in the examination report have been completed. The certification is to be received within 30 days of the execution of the Consent Order.

6. AVMED 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 OFFICE, and shall subject AVMED to such administrative action as the OFFICE may deem appropriate.

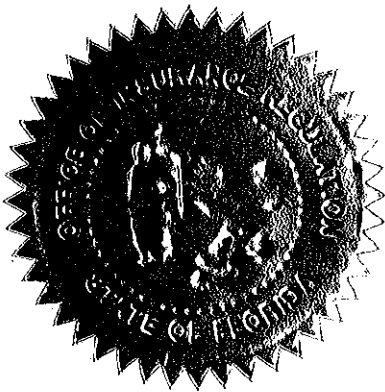
7. AVMED is hereby placed on notice of the requirements of the above-referenced sections of law and agrees that any future violations of these sections by AVMED may be deemed willful, subjecting AVMED to appropriate penalties.

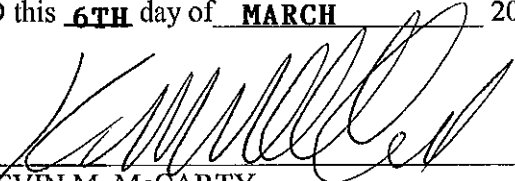
8. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

WHEREFORE, the agreement between AVMED and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

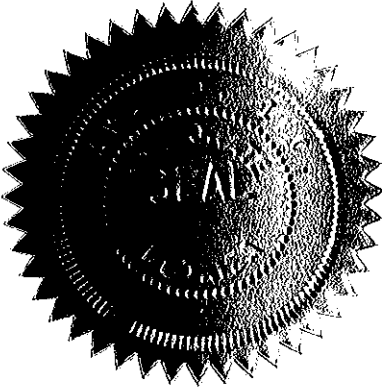
DONE AND ORDERED this 6TH day of MARCH 2014.



  
\_\_\_\_\_  
KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, AVMED, 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 he or she has the authority to bind AVMED, INC. to the terms and conditions of this Consent Order and has personal knowledge of the Application and the information provided therein.

AVMED, INC.



By *MPG*  
Michael P. Gallagher  
Print or Type Name  
Title: President & CEO  
Date: February 14, 2014

STATE OF Florida  
COUNTY OF Alachua

The foregoing instrument was acknowledged before me this 14 day of February 2014,  
by Michael P. Gallagher as President & CEO  
(Name) (Authority)  
for Avmed, Inc.  
(Company Name)

Katherin M. Self  
(Signature of the Notary)  
Katherin M. Self  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  or Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

[NOTARIAL SEAL]

My Commission Expires: 6-14-2015



COPIES FURNISHED TO:

MICHAEL P. GALLAGHER  
PRESIDENT & CEO  
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ASSISTANT GENERAL COUNSEL  
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200 East Gaines Street  
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Certification with Compliance of Consent Order

Pursuant to the Consent Order in the Matter of AvMed, Inc. 2012 Market Conduct Examination, the undersigned Officer of AvMed, Inc. certifies that the corrective actions requested in the examination report have been completed.

A handwritten signature in black ink, appearing to read "S. M. Ziegler", is written over a horizontal line.

Steven M. Ziegler  
Assistant Secretary  
SVP/General Counsel

A handwritten date "2/27/14" is written in black ink over a horizontal line.

Date