



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

FLORIDA 1st HEALTH PLANS, INC.

CASE NO. 60287-02-CO

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between FLORIDA 1st HEALTH PLANS, INC. (hereinafter referred to as "FLORIDA 1st") 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. FLORIDA 1st 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 FLORIDA 1st violated the following provisions of the Florida Insurance Code, to wit:

1. Section 641.3155(1), Florida Statutes (1999): Failure to Timely Pay Claims.

2. Section 641.3155(2), Florida Statutes (1999): Failure to Pay Interest on Late Paid Claims.

3. Sections 627.4235, 641.31(7), 641.3155(1), 641.3901 and 641.3903(5)(c) 1. & 4., Florida Statutes: Failure to Adopt and Implement Standards For Proper Investigation of Personal Injury Protection (PIP) Claims.

4. Section 641.3155(2), Florida Statutes (1999): Failure to Properly Calculate Interest.

4. The **DEPARTMENT** and **FLORIDA 1st** 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. **FLORIDA 1st** 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. **FLORIDA 1st** 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 **FLORIDA 1st** to such administrative action as the **DEPARTMENT** may deem appropriate.

6. **FLORIDA 1st** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) Thirty Five Thousand Five Hundred Dollars (\$35,500) and administrative costs of Two Thousand Dollars (\$2,000) no later than thirty (30) days following the issuance of this Consent Order.

(b) **FLORIDA 1st** shall henceforth comply with all of the provisions of the Florida Insurance Code.

(c) **FLORIDA 1st** 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 **FLORIDA 1st** may be deemed willful, subjecting **FLORIDA 1st** to appropriate penalties.

(d) **FLORIDA 1st** 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(2) and 641.3155(3), Florida Statutes (2001). **FLORIDA 1st** shall undertake corrective action to establish and implement procedures to assure that interest is timely and properly paid on all claims in accordance with Section 641.3155(3), Florida Statutes (2001). Further, **FLORIDA 1st** 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. **FLORIDA 1st** 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 **FLORIDA 1st HEALTH 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 10th day of July, 2002.





KEVIN McCARTY
Deputy Insurance Commissioner

By execution hereof, **FLORIDA 1st HEALTH PLANS, 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 **FLORIDA 1st HEALTH PLANS, INC.** to the terms and conditions of this Consent Order.

FLORIDA 1st HEALTH PLANS, INC.

By: _____
 Frank Willis
 (Printed or Typed Name)
Title: President/CEO
Date: 6/27/02

COPY FURNISHED TO:

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