



FILED

TREASURER AND
INSURANCE COMMISSIONER
Deputed by: SS

THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO. 61883-02-CO

BEACON HEALTH PLANS, INC. Bureau of Managed Care
Division of Insurer Services

CONSENT ORDER

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

1. Section 641.3155(3), Florida Statutes (2001): Failure to pay Interest on Late Paid Claims.
2. Sections 641.3155(2), 641.3901 and 641.3903(5)(c) 1. & 4., Florida Statutes (2001): Failure to Adopt and Implement Standards For Proper Investigation of Workers' Compensation Claims.
3. Sections 627.4235, 641.317(7), 641.3155(2), 641.3901, and 641.3903(5)(c) 1. & 4., Florida Statutes (2001): Failure to Adopt and Implement Standards For Proper Investigation of Personal Injury Protection (PIP) Claims.
4. Sections 641.315(1) and (4), Florida Statutes (2001): Failure to Communicate Mailing or Electronic Address, Telephone Numbers for Providers, and Separate Claims Processing Address.
5. Sections 641.315(1) and 641.3154(4), Florida Statutes (2001): Failure to Communicate Standards which Prohibits a Provider From Billing, Collecting Money From, Maintaining any Action of Law Against, or Reporting to a Credit Agency any Subscriber for Which the Payment of Services is the Company's Responsibility.

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

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

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

(b) **BEACON** is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of this section by **BEACON** may be deemed willful, subjecting **BEACON** to appropriate penalties.

(c) **BEACON** shall undertake corrective action to establish and implement procedures to assure that all claims are processed in accordance with Section 641.3155(3), Florida Statutes (2001). Further, **BEACON** 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. **BEACON** shall undertake to communicate to providers a mailing or electronic address for claims processing, a telephone number for providers to call with questions, and the address of any separate claims processing centers in accordance with Sections 641.315(1) and (4), Florida Statutes (2001). **BEACON** shall undertake to communicate to providers a standard which prohibits a provider from billing, collecting money from, maintaining any action of law against, or reporting to a credit agency any subscriber for which payment of services is the company's responsibility in accordance with Sections 641.315(1) and 641.3154(4), Florida Statutes (2001). **BEACON** shall submit for the Department's review a revision to its policies and procedures to implement the aforementioned corrective action regarding claims payments, proper

coordination of benefits, communication of claims processing information to physicians, and communication of a standard that prohibits billing and collecting money from a subscriber 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.

THEREFORE, the agreement between **BEACON 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 4th day of October, 2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

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

BEACON HEALTH PLANS, INC.

By: _____

Ronald J. Berding

Corporate Seal

Print or Type Name

Title: _____

C.E.O.

Date: _____

9/26/02

COPY FURNISHED TO:

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