

No. **2021-6678**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 02/09/2021

Subject Considered:

Molina Healthcare of Texas, Inc.
5605 North MacArthur Blvd, Suite 400
Irving, Texas 75038

Consent Order
TDI Enforcement File No. 24069

General remarks and official action taken:

This is a consent order with Molina Healthcare of Texas, Inc. (Molina). TDI conducted a targeted quality of care examination and found the following violations, some of which were previously found in a prior exam. Molina has agreed to pay a \$600,000 administrative penalty.

Waiver

Molina acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Molina waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. The Texas Department of Insurance (TDI) issued Molina a basic health maintenance organization (HMO) license number 95943, effective June 22, 2005.

Previous Triennial Examinations

2. TDI conducted three previous triennial quality of care examinations of Molina, the 2011 Examination, the 2014 Examination, and the 2016 Examination.
3. Molina agreed to two consent orders to address the 2014 Examination and 2016 Examination.
4. Molina paid a \$200,000 administrative penalty under Commissioner Order 2016-4835, which involved the 2014 Examination, prompt pay, and network adequacy violations.
5. Molina paid a \$500,000 administrative penalty under Commissioner Order 2019-5883, which involved the 2016 Examination, prompt pay, and contracted provider complaint violations.

2019 Targeted Examination

6. TDI conducted a targeted quality of care examination of Molina for the period from January 1, 2018, and ending March 25, 2019. The examination reviewed complaints, provider contracts, provider directory, provider network, and claims.
7. TDI issued the targeted examination report on August 30, 2019.

Complaints

8. TDI reviewed 15 complaint files to determine statutory compliance.
9. Molina's complaint log did not use the complaint categories required by Texas law.
10. In two complaints, Molina did not provide a copy of the complaint acknowledgement or resolution letter.
11. In five complaints, Molina did not include a prominent and clear statement that the complaint form must be returned to Molina for prompt resolution of the complaint. This was an issue that TDI identified in all prior examinations and that Molina's prior corrective action plans specifically addressed.

12. In four complaints, Molina did not explain the resolution and specific medical and contractual reason for the resolution of the complaint.

Provider Directory, Network, and Contracts

13. Molina failed to provide evidence that it maintains an accurate provider directory or that it conducts ongoing reviews of the provider directory as required by Texas law.
14. During the exam period, Molina received more than 5,100 reports of provider directory inaccuracies. Texas law requires Molina to correct these inaccuracies within seven days. Molina failed to correct more than 4,900 reports in that time frame. Correction timelines ranged from eight to 436 days.
15. Additionally, the exam found that Molina did not clearly identify all health care facilities in Molina's provider network in which facility-based physicians did not participate in Molina's network.

Claims

16. The exam found that Molina had systematic issues relating to prompt pay law compliance. This issue was also generally addressed in Commissioner Order 2019-5883.
17. Molina submitted a corrective action plan to address the deficiencies cited in the final examination report issued by TDI on January 22, 2020.

Molina's Corrective Efforts

18. Molina has cooperated with TDI in its examination and resolution of the matters covered by this order. Since Commissioner Order 2019-5883 was entered and the targeted examination report was issued, Molina further represents that it has increased its staff and resources and conducted internal and third party audits to address the issues raised in this order.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002, 82.051-82.055, 84.021-84.022, 401.055, 843.252, 843.253, 1451.505, and 1456.003; 28 TEX. ADMIN. CODE § 11.204; and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Molina has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Molina violated 28 TEX. ADMIN. CODE § 11.204(27)(E)-(G) because its complaint log did not use required complaint categories.
5. Molina violated TEX. INS. CODE §§ 843.252(a) and 843.253(b) because it did not provide a copy of the complaint acknowledgement or resolution letter.
6. Molina violated TEX. INS. CODE § 843.252(b)(2) because it failed to prominently and clearly state that the complaint form must be returned to Molina for prompt resolution of the complaint.
7. Molina violated TEX. INS. CODE § 843.253(b)(1)-(2) because it did not explain the resolution and specific medical and contractual reason for the resolution of the complaint.
8. Molina violated TEX. INS. CODE §§ 843.201, 843.2015(a), 1451.505(d), and 1451.505(e) because it did not maintain an accurate provider directory and did not review and correct its provider directory as required in a timely manner.
9. Molina violated TEX. INS. CODE § 1456.003(c) because it did not clearly identify all health care facilities in Molina's provider network in which facility-based physicians did not participate in Molina's network.

10. Molina violated TEX. INS. CODE § 843.338 and 28 TEX. ADMIN. CODE § 21.2815 because it did not timely pay penalties and interest due for some late-paid clean claims.

Order

It is ordered that Molina Healthcare of Texas, Inc. must pay an administrative penalty of \$600,000 within 30 days from the date of this order. The penalty must be made payable to the "State of Texas" and sent to the Texas Department of Insurance, Attn: Enforcement, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104 in a manner described in the penalty invoice.

It is also ordered that Molina Healthcare of Texas, Inc. report to TDI on or before 30 days from the date of this order. The report will affirm Molina Healthcare of Texas, Inc. has fully implemented its post-exam corrective action plan. If Molina Healthcare of Texas, Inc. has not yet fully implemented its post-exam corrective action plan, the report will detail how Molina Healthcare of Texas, Inc. intends to fully implement its corrective action plan, resources dedicated to implementation, timelines, and a process for independent verification of objective progress to comply with Texas law. The report must be sent to EnforcementReports@tdi.texas.gov.

Commissioner of Insurance

DocuSigned by:
Doug Slape
By: C77A87C8C21B435...
Doug Slape
Chief Deputy Commissioner
TEX. GOV'T CODE § 601.002
Commissioner's Order No. 2018-5528

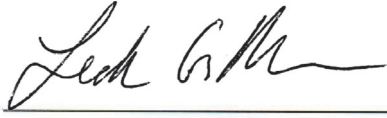
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Commissioner's Order

Molina Healthcare of Texas, Inc.

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Recommended and reviewed by:

A handwritten signature in black ink, appearing to read "Leah Gillum", written over a horizontal line.

Leah Gillum, Deputy Commissioner
Enforcement Division

Affidavit

STATE OF Texas §

§

COUNTY OF Dallas §

Before me, the undersigned authority, personally appeared Anne P. Rote, who being by me duly sworn, deposed as follows:

"My name is Anne P Rote. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of President and am the authorized representative of Molina Healthcare of Texas, Inc. and I am duly authorized by said organization to execute this statement.

Molina Healthcare of Texas, Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

Anne P Rote

Affiant

SWORN TO AND SUBSCRIBED before me on February 1, 2021.

(NOTARY SEAL)

Dawn J. Exford
Signature of Notary Public

Dawn J. Exford
Printed Name of Notary Public

