

No. **2022-7579**

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

Date: 11/01/2022

Subject Considered:

HM Life Insurance Company
120 Fifth Avenue, Suite P6504
Pittsburgh, Pennsylvania 15222

Consent Order
TDI Enforcement File No. 29715

General remarks and official action taken:

This is a consent order with HM Life Insurance Company (HM Life). The department conducted a market conduct examination and found HM Life violated several provisions of the Texas Insurance Code and Title 28 of the Texas Administrative Code. HM Life has agreed to pay a \$50,000 administrative penalty for these violations.

Waiver

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

Findings of Fact

1. HM Life holds an authorization to act as a life, accident, or health company in Texas.
2. HM Life is affiliated with Highmark, Inc. and HM Insurance Group, LLC.
3. HM Life delegated utilization review duties to Davis Vision, Inc. (Davis Vision) as its utilization review agent (URA).

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4. HM Life also delegated duties to Davis Vision to process and adjudicate claims, resolve oral and written complaints, and credential and recredential participating health care providers.
5. The Texas Department of Insurance conducted a market conduct examination for the period of January 1, 2018, through December 30, 2020. The examination reviewed quality assessment, utilization review, claims, complaints, sales, advertising and marketing, enrollee identification cards, health care provider network delegations, directories, and notifications, and health care provider credentialing related to HM Life's preferred provider benefit plan (PPO) vision line of business.
6. The purpose of the examination was to verify compliance with the Texas Insurance Code and Title 28 of the Texas Administrative Code.
7. During the exam, the department found violations of the Texas Insurance Code and the Texas Administrative Code in the samples of policies and claims reviewed.

Utilization Review Requests

8. In 15 percent (121 of 793) of approved utilization requests, HM Life's URA did not transmit notice of determination within two working days after the date of the request.
9. HM Life did not make the requirements and information about the preauthorization process readily accessible to enrollees, physicians, providers, and the general public.

Initial Adverse Determinations

10. The department reviewed 32 initial adverse determinations for statutory compliance.
11. In 13 percent (4 of 32) of initial adverse determinations reviewed, HM Life's URA did not issue the adverse determination within three calendar days of receiving the request for preauthorization.
12. In 100 percent (32 of 32) of initial adverse determinations reviewed, HM Life's URA did not afford the provider of record a reasonable opportunity to discuss the

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services under review during normal business hours no less than one working day prior to issuing the prospective adverse determination.

13. In 53 percent (17 of 32) of initial adverse determinations reviewed, HM Life's URA did not include a description or the source of the screening criteria used in making the adverse determination.
14. In 34 percent (11 of 32) of initial adverse determinations reviewed, HM Life's URA did not include the professional specialty of the physician, doctor, or other health care provider that made the determination.

Claims

15. The department reviewed 30 claims received and processed in 2020 for statutory compliance.
16. In three percent (1 of 30) of claims reviewed, HM Life paid the claim later than the 30th day after the company received the electronic clean claim and did not pay the applicable prompt payment penalty.
17. In 23 percent (7 of 30) of claims reviewed, HM Life recovered refunds due to overpayments and the company did not notify the physicians or providers of the overpayments.

Agent Licensing and Appointments

18. HM Life appointed 170 active agents and terminated 37 active agents during the examination period. A sample of 17 policies issued during the examination were reviewed to determine compliance with the agents' licensing and appointment requirements under the Texas Insurance Code.
19. In 23 percent (4 of 17) of the policies reviewed, HM Life allowed individuals to perform the acts of an agent without being properly appointed to issue or service policies.

Enrollee Identification Cards

20. The department reviewed enrollee identification cards to determine statutory compliance.

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21. The enrollee identification cards reviewed did not contain the required acronym "TDI" or "DOI" prominently displayed on the front of the identification card.

Provider Directories

22. The department reviewed health care provider lists and directories to determine statutory compliance.
23. HM Life did not provide an annual notice to all members that describes how members can obtain a free non-electronic listing of all current contracted health care providers.

Subsequent Events and Other Disclosures

24. Since the exam, HM Life's URA, Davis Vision, began merging into Metropolitan Life Insurance Company. As a part of that integration, HM Life decided to exit the vision insurance market nationwide.
25. On June 13, 2022, HM Life received TDI's approval for HM Life's plan of withdrawal from the vision insurance market in Texas.
26. Effective August 1, 2022, HM Life stopped offering new vision policies, and effective October 1, 2022, HM Life stopped renewing existing vision policies.
27. As of September 30, 2023, HM Life will have exited the vision insurance market nationwide.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, 1301, 4001.201, 4201; 28 TEX. ADMIN. CODE §§ 3.3705, 19.1703, 19.1709, 19.1710, 19.1718, 21.2815, 21.2818, 21.2820; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose informally 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.

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3. HM Life 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. HM Life violated TEX. INS. CODE § 4201.302 by failing to issue approval authorizations within two working days after the date of the request.
5. HM Life violated TEX. INS. CODE § 1301.1351(b)(1)-(4) by failing to make the requirements and information about the preauthorization process readily accessible to enrollees, physicians, health care providers, and the general public on HM Life's website.
6. HM Life violated TEX. INS. CODE § 1301.135(c) and 28 TEX. ADMIN. CODE § 19.1718(d)(1) by failing to issue the adverse determination within three calendar days of receiving the request for preauthorization.
7. HM Life violated TEX. INS. CODE § 4201.206 and 28 TEX. ADMIN. CODE §§ 19.1703(b)(26)(A) and 19.1710 by failing to provide the provider of record a reasonable opportunity to discuss the services under review during normal business hours no less than one working day prior to issuing the prospective adverse determination.
8. HM Life violated TEX. INS. CODE § 4201.303(a)(3) and 28 TEX. ADMIN. CODE § 19.1709(c)(3) by failing to include a description or the source of the screening criteria used as guidelines in making the adverse determination.
9. HM Life violated 28 TEX. ADMIN. CODE § 19.1709(c)(4) by failing to include the professional specialty of the physician, doctor, or other health care provider that made the adverse determination.
10. HM Life violated TEX. INS. CODE § 1301.103 by paying a claim later than the 30th day after the date HM Life received the electronic clean claim.
11. HM Life violated TEX. INS. CODE § 1301.103 and 28 TEX. ADMIN. CODE § 21.2815 by failing to pay the applicable prompt payment penalty.

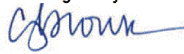
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12. HM Life violated TEX. INS. CODE § 1301.132(a)(1) and 28 TEX. ADMIN. CODE § 21.2818(a) by failing to notify the physician or provider of the overpayment not later than the 180th day after the date of the receipt of the overpayment.
13. HM Life violated TEX. INS. CODE § 4001.201 by allowing an agent who was not properly appointed to issue or service policies.
14. HM Life violated 28 TEX. ADMIN. CODE § 21.2820(b)(4) by failing to include the letters "TDI" or "DOI" prominently displayed on the front of the enrollee identification card.
15. HM Life violated 28 TEX. ADMIN. CODE § 3.3705(h) by failing to provide an annual notice to all of HM Life's members that describes how members can obtain a free non-electronic listing of all current contracted health care providers.

Order

It is ordered that HM Life Insurance Company pay an administrative penalty of \$50,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

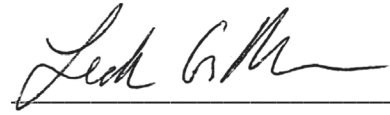
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Cassie Brown
Commissioner of Insurance

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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Cassie Tighe, Staff Attorney
Enforcement

Affidavit

STATE OF Pennsylvania §

§

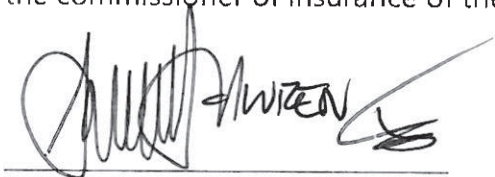
COUNTY OF Allegheny §

Before me, the undersigned authority, personally appeared Mark Lawrence
who being by me duly sworn, deposed as follows:

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

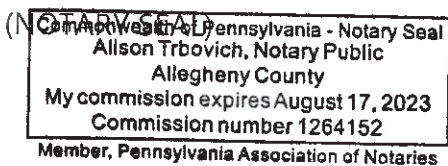
I hold the office of President and am the authorized representative of
HM Life Insurance Company. I am duly authorized by said organization to execute this
statement.

HM Life Insurance Company 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."



Affiant

SWORN TO AND SUBSCRIBED before me on October 5, 2022.


Signature of Notary Public

Allison Trbovich
Printed Name of Notary Public