

No. **2016-4726**

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: OCT 12 2016

Subject Considered:

CARECENTRIX, INC.
20 Church Street, suite 1200
Hartford, CT 06103

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 11059

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against CareCentrix, Inc. (CareCentrix).

WAIVER

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

FINDINGS OF FACT

1. A review of TDI records shows that CareCentrix does not hold a license to act as a third party administrator (TPA).
2. CareCentrix contends that it did not secure a Texas TPA license because CareCentrix in good faith believed that it does not act as a TPA as defined under Texas law.
3. On October 19, 2015, the MCQA office sent a warning letter to CareCentrix advising them of prompt pay insurance code violations for Q2 2015, and requested that CareCentrix file corrected information.
4. On November 15, 2015, Q3 2015 reporting was due and CareCentrix again had prompt pay code violations.

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Late Paid Claims Violation

5. CareCentrix is required to submit quarterly claims payment information to TDI, and is subject to penalties if they violate the claims payment provisions for more than two percent of clean claims.
6. CareCentrix provided payment information and data that revealed that CareCentrix failed to pay claims in a timely manner as follows:

Year 2015 Quarter 2 – 10.61% of clean claims paid late
 Quarter 3 – 6.97% of clean claims paid late
7. CareCentrix submitted Quarter 4, 2015, Quarter 1, 2016, and Quarter 2, 2016 clean claims data that is in compliance with the prompt pay statutes and rules.
8. CareCentrix agrees that it will immediately seek licensure with TDI as a TPA.

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, and 843.336-843.354; 28 TEX. ADMIN. CODE §§ 21.2801-21.2816; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to informally dispose of this matter under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. CareCentrix violated TEX. INS. CODE §§ 4151.051-4151.056 because it acted as a third party administrator without holding a TDI license.
4. CareCentrix violated TEX. INS. CODE § 843.342(k) and 28 TEX. ADMIN. CODE §§ 21.2801-21.2816 because it failed to pay clean claims in a timely manner.

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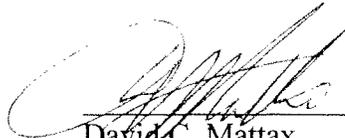
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The commissioner orders CareCentrix, Inc. to pay an administrative penalty of \$10,000 within 30 days of the date of this Order. The administrative penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



David C. Mattax

Commissioner of Insurance

Approved as to Form and Content:

Beverly Rosendahl by SKN /with permission

Beverly Rosendahl, Staff Attorney

Enforcement Section, Compliance Division

Texas Department of Insurance

