

No. 2017- 4965

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

Date: FEB 28 2017

Subject Considered:

DRISCOLL CHILDREN'S HEALTH PLAN
615 North Upper Broadway Suite 1621
Corpus Christi, Texas 78401

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 12177

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Driscoll Children's Health Plan (Driscoll).

WAIVER

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

FINDINGS OF FACT

1. TDI certified Driscoll as a health utilization review agent, URA 1784904, effective September 6, 2012. Driscoll's certification is current and expires on September 6, 2018.

Adverse Determination Templates

2. On May 10, 2013, Driscoll filed an update application to their URA certification. The initial adverse determination letter submitted by Driscoll was deficient and required revisions. The URA update was accepted on September 24, 2013.
3. In 2014 and 2016, Driscoll submitted renewal applications, including the submission of template letters. The initial adverse determination template letters provided by Driscoll in 2014 and 2016 were not the templates that were approved during the 2013 update.
4. TDI sent Driscoll deficiency letters in 2014 and 2016 requesting revisions to the templates. Driscoll's certification was renewed both years.

- 5. In 2016, MCQA selected Driscoll for a utilization review audit of adverse determination letters currently in use. MCQA randomly selected three utilization review case files and requested Driscoll to provide all of the issued initial adverse determination letters in those cases.
- 6. Review of the files revealed that Driscoll was not using the adverse determination templates approved by TDI.
- 7. Driscoll has represented to TDI that the failure to accurately implement the approved letters was a system automation issue and has been resolved.

CONCLUSIONS OF LAW

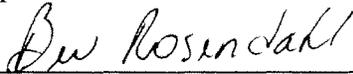
- 1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002, 82.051-82.055, 84.021-84.022, and 4201.303; 28 TEX. ADMIN. CODE § 19.1709; and TEX. GOV'T CODE §§ 2001.051-2001.178.
- 2. The commissioner has authority to informally dispose of this matter as set forth under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
- 3. Driscoll violated TEX. INS. CODE § 4201.303 and 28 TEX. ADMIN. CODE § 19.1709 by using unapproved adverse determination templates.

The commissioner orders Driscoll Children's Health Plan to pay an administrative penalty of \$45,000 within 30 days from 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
By: Kevin Brady, Deputy Commissioner
Delegation Order 4506

Approved as to Form and Content:



Bev Rosendahl, Staff Attorney
Enforcement Section, Compliance Division
Texas Department of Insurance

