

No. 2017- 4998

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

Date: MAR 2 1 2017

Subject Considered:

BHM HEALTHCARE SOLUTIONS, INC.
2315 Poinciana Dr.
Houston, Texas 77018-4628

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 12178

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against BHM Healthcare Solutions, Inc.

WAIVER

BHM acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. BHM 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 issued BHM Healthcare Solutions, Inc. independent review organization (IRO) certificate of registration no. 2123536, effective September 8, 2016.
2. From September 20, 2016, through December 5, 2016, TDI's Managed Care and Quality Assurance Office (MCQA) assigned BHM 17 IRO cases. The following eight of those cases, or 47 percent, were late:

No.	IRO Case No.	Date Assigned	Review Due Date	Decision Date	No. days late
1	148201	9/20/2016	10/10/2016	10/28/16	18
2	149329	9/29/2016	10/19/2016	10/28/2016	9
3	152204	10/26/2016	11/15/2016	11/22/2016	7
4	151703	10/21/2016	10/24/2016	10/28/2016	4
5	149112	10/17/2016	11/7/2016	11/10/2016	3
6	149805	10/4/2016	10/24/2016	10/25/2016	1

No.	IRO Case No.	Date Assigned	Review Due Date	Decision Date	No. days late
7	152808	11/1/2016	11/21/2016	11/22/2016	1
8	156087	11/29/2016	12/19/2016	12/20/2016	1

3. On February 16, 2017, TDI staff and BHM staff conferred by conference call. BHM explained that it has implemented the following changes to address the timeliness of its IRO decisions:
- a. Two additional staff members.
 - b. Website changes to correct contact information.
 - c. Weekly meetings to review pending IRO cases.
 - d. Oversight of the company's IRO operations by the chief executive officer.
 - e. Replacement of BHM's senior vice president of operations.
 - f. Implementation of new software to track IRO cases.

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, 4202.002, 4202.003, 4202.007, 4202.012; 28 TEX. ADMIN. CODE §§ 12.206, 12.301-12.303; 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. BHM violated TEX. INS. CODE § 4202.003(1) and 28 TEX. ADMIN. CODE § 12.206(c)(3) when it failed to make its determination for a life-threatening condition involving a health care service no later than the third day after the date the IRO receives the request that the determination be made.
4. BHM violated TEX. INS. CODE § 4202.003(2) and 28 TEX. ADMIN. CODE § 12.206(b) when it failed to make its determinations for a condition other than a life-threatening condition, not later than the earlier of:
 - a. The 15th day after the date the organization receives the information necessary to make the determination; or
 - b. The 20th day after the date the organization receives the request that the determination be made.

The commissioner orders BHM Healthcare Solutions, Inc. to comply with the following:

- a. Within 10 days after the entry of this order, BHM agrees to submit a plan of correction to TDI to further address improving the timeliness of rendering IRO decisions, and implementing or otherwise revising its policies and procedures to ensure timeliness. BHM's plan of correction must also include the date of implementation of the electronic tracking and performance platform, and a detailed explanation of how the platform works. This plan shall be submitted to both: Dina Bonugli, Team Lead, MCQA Office, at 512-490-1013 and Catherine Bell, Enforcement Section, at 512-490-1020.
- b. For a period of one year from the date of this order, BHM shall file quarterly reports in letter format by facsimile to both Dina Bonugli, Team Lead, MCQA Office, at 512-490-1013, and Catherine Bell, Enforcement Section, at 512-490-1020. The first report shall be due on or before 90 days after the date of this order. Subsequent reports shall be filed on or before 180 days and 270 days after the date of this order. The final report shall be filed on or before one year from the date of this order. Each report shall include the following information regarding three months:
 - (i) the identity by case number of each and every IRO decision that is rendered untimely during the previous quarter;
 - (ii) the number of days late for each such IRO decision;
 - (iii) a detailed explanation of the reason each such IRO decision was rendered untimely;
 - (iv) a detailed explanation of all corrective action(s) taken to remedy the cause of the late IRO decision(s), including an indication as to whether or not the reviewing member was removed from BHM's panel; and
 - (v) if no IRO decisions are rendered untimely during the previous quarter, BHM shall so indicate in the report letter.
- c. The commissioner orders BHM Healthcare Solutions, Inc., to pay an administrative penalty of \$8,450 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.

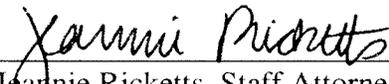


David C. Mattax, Commissioner of Insurance
~~By: Kevin Brady, Deputy Commissioner~~
~~Delegation Order 4506~~

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Approved as to Form and Content:



Jeannie Ricketts, Staff Attorney
Enforcement Section, Compliance Division
Texas Department of Insurance

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AFFIDAVIT

STATE OF MARYLAND §

COUNTY OF MONTGOMERY §

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

"My name is ERIAN JOHNSON. 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 & CEO, and am the authorized representative of BHM Healthcare Solutions, Inc. I am duly authorized by said organization to execute this statement.

BHM Healthcare Solutions, Inc. waives rights provided by the Texas Insurance Code and other applicable laws, and acknowledges the jurisdiction of the Texas commissioner of insurance.

BHM Healthcare Solutions, Inc. is voluntarily entering into this consent order. BHM Healthcare Solutions, Inc. consents to the issuance and service of this consent order."



Affiant

SWORN TO AND SUBSCRIBED before me on MARCH 8th, 2017.

(NOTARY SEAL)


Signature of Notary Public