

No. 2018 - 5389

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

Date: JAN 31 2018

**Subject Considered:**

**PROMINENCE HEALTHFIRST OF TEXAS, INC.**  
1510 Meadow Wood Ln  
Reno, NV 89502

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 14808

**General remarks and official action taken:**

The subject of this order is whether disciplinary action should be taken against Prominence HealthFirst of Texas, Inc. (Prominence).

**WAIVER**

Prominence acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Prominence 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 Prominence basic service health maintenance organization (HMO) license number 13764829, effective February 19, 2014.

**2016 Initial Examination**

2. TDI conducted an initial quality of care examination of Prominence for the period beginning August 3, 2015, and ending December 31, 2016.
3. On June 20, 2017, TDI held an exit conference call with Prominence to discuss the 2016 examination findings.
4. In Prominence's 2016 examination, TDI found evidence that Prominence used an unapproved complaint resolution template letter that did not include a complete description of the process for appeal, including deadlines for the appeal process, and deadlines for a decision on the appeal.

5. In Prominence's 2016 examination, TDI found evidence that Prominence used an unapproved adverse determination template letter that failed to include notice of the independent review process, with instructions for submitting an IRO request.
6. In Prominence's 2016 examination, TDI found evidence that Prominence failed to afford the provider of record a reasonable opportunity to discuss the services under review during normal business hours, no less than one day prior to issuing the prospective adverse determination.
7. Prominence 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. The prompt pay claims reports submitted to TDI showed that Prominence paid more than two percent of clean claims late for all four quarters in 2016, resulting in \$392,477.88 in penalties and interest on 1,134 claims.
8. During the claims system review, TDI found evidence that the claim system captured the date when the claim was adjudicated and not the date the claim was paid for purposes of determining compliance with the statutory claim payment period.
9. Prominence submitted a plan of correction to address the deficiencies cited in the final examination report issued by TDI on September 8, 2017.

#### **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, 843.253, and 4201.206; 28 TEX. ADMIN. CODE §§ 19.1703, 19.1709, 19.1710, 21.2810, and 21.2821-2822; 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. Prominence violated TEX. INS. CODE § 843.253(b)(4) because it used an unapproved complaint resolution template letter that did not include a complete description of the process for appeal, including deadlines for the appeal process and deadlines for a decision on the appeal.
4. Prominence violated 28 TEX. ADMIN. CODE § 19.1709(b)(8) because it used an unapproved adverse determination template letter that failed to include notice of the independent review process, with instructions for submitting an IRO request.
5. Prominence violated TEX. INS. CODE § 4201.206 and 28 TEX. ADMIN. CODE §§ 19.1703(b)(26)(A) and 19.1710 by failing to afford the provider of record a reasonable

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

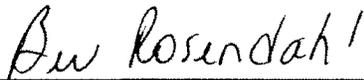
6. Prominence violated 28 TEX. ADMIN. CODE §§ 21.2821-2822 by submitting prompt pay claims reports to TDI that showed Prominence paid more than two percent of clean claims late for all four quarters in 2016.
7. Prominence violated 28 TEX. ADMIN. CODE §§ 21.2810 because Prominence's claim system captured the date when the claim is adjudicated and not the date the claim was paid for purposes of determining compliance with the statutory claim payment period.

It is ordered that Prominence HealthFirst of Texas, Inc. pay an administrative penalty of \$140,000 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 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Kent C. Sullivan  
Commissioner of Insurance

Approved as to Form and Content:



Bev Rosendahl, Staff Attorney  
Enforcement Section  
Texas Department of Insurance

