

No. **2026-9713**

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

Date: 1/5/2026

Subject Considered:

Baylor Scott & White Insurance Company
1206 W Campus Dr
Temple, Texas 76502-7124

Consent Order
TDI Enforcement File No. 35935

General remarks and official action taken:

This is a consent order with Baylor Scott & White Insurance Company (BSW). The Texas Department of Insurance (TDI) conducted a triennial quality of care examination and found multiple violations, including repeat violations from the previous 2019 quality of care examination. BSW has agreed to pay a \$55,000 administrative penalty for these violations.

Waiver

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

Findings of Fact

Licensure and Background

2026-9713

Commissioner's Order

Baylor Scott & White Insurance Company

Page 2 of 10

1. BSW is a domestic insurer holding certificates of authority in Texas to act as a life, accident, and health insurer issued by TDI on May 23, 2003, and to act as a third-party administrator (TPA) issued by TDI on November 21, 2023.
2. BSW was previously licensed under the name Insurance Company of Scott and White and changed to its current name on August 24, 2021.

Prior Triennial Exam

3. On June 16, 2023, the commissioner entered Order No. 2023-8027 against BSW for violations found in the 2019 triennial quality of care examination. The order imposed a \$60,000 penalty and required BSW to submit a report affirming that it had fully implemented its post-exam corrective action plan.

Current Triennial Quality of Care Examination

4. TDI conducted the quality of examination of BSW's exclusive provider benefit and preferred provider health plans line of business for the period of January 1, 2020, through December 31, 2022.
5. The findings of the examination, which included violations of the Texas Insurance Code and the Texas Administrative Code, are in the Final Examination Report dated July 31, 2024.
6. On September 9, 2024, BSW submitted a corrective action plan.

Utilization Review Requests

7. TDI reviewed 2,558 reviews done by BSW's utilization review agent (URA).
8. In less than 1% (7 of 2,558) of requests reviewed, a notice of determination made by the URA was sent later than the second working day after the date of the request. In the previous exam, 14% were in violation.

Initial Adverse Determinations

2026-9713

Commissioner's Order

Baylor Scott & White Insurance Company

Page 3 of 10

9. TDI sampled and reviewed 35 initial adverse determinations for statutory compliance.
10. In 9% (3 of 35) of initial adverse determinations reviewed, an adverse determination was issued regarding medical necessity without referring those determinations to an appropriate physician or health care provider.
11. In 9% (3 of 35) of initial adverse determinations reviewed, an adverse determination was issued without affording the provider of record a reasonable opportunity to discuss treatment no less than one working day prior to issuing the determination. In the previous exam, 11% were in violation.

Adverse Determination Appeals

12. TDI sampled and reviewed 10 adverse determination appeals for statutory compliance.
13. In 10% (1 of 10) of adverse determination appeals reviewed, BSW did not state the appeal was reviewed by a provider not previously involved in the initial adverse determination decision. In the previous exam, 27% were in violation.
14. In 10% (1 of 10) of adverse determination appeals reviewed, BSW's URA did not provide the referring physician a reasonable opportunity to discuss the patient's treatment plan with a URA physician who is licensed to practice medicine in this state prior to issuing an appeal adverse determination.
15. In 10% (1 of 10) of adverse determination appeals reviewed, BSW's appeal resolution letter did not include the specialty physician who made the determination.

Claims

16. TDI sampled and reviewed 50 claims for statutory compliance.
17. Fourteen of the reviewed claims were noncontracted claims.

2026-9713

Commissioner's Order

Baylor Scott & White Insurance Company

Page 4 of 10

18. Of the 50 claims reviewed, five of the contracted claims were paid late.
19. In 71% (10 of 14) of the noncontracted claims reviewed, BSW did not provide the balance billing prohibition notification in the explanation of payments to the providers.
20. In 60% (3 of 5) of late contracted claims, BSW did not pay penalties on non-institutional preferred providers' claim within 30 to 45 days, including an 18% annual interest penalty to TDI. In the previous exam, 20% were in violation. BSW paid the penalties during the examination.
21. BSW provided a claims impact report, detailing contracted claims that it processed incorrectly from January 26, 2022, through December 31, 2022. The report lists 2,038 claims processed incorrectly. The report includes the penalty amounts paid and the dates of payments to its contracted providers; some of these contracted claims include interest payments made to TDI. BSW reported it paid all penalty and interest due to its contracted providers and TDI.
22. In 50% (7 of 14) of noncontracted claims reviewed, BSW did not process a noncontracted provider of an emergency, specialty, or other health care service in accordance with prompt payment requirements.
23. BSW did not accurately report the number of claims paid within statutory timeframe during the scope of this exam based on the prompt payment claim reports filed with TDI on a quarterly basis. This is a repeat violation from the 2019 exam.

Complaints

23. TDI reviewed 21 complaints and six (29%) were confirmed.
24. In 5% (1 of 21) of complaints reviewed, BSW did not pay the electronic clean claim within 30 days of receipt of the claim and did not pay applicable penalties, including an 18% annual interest penalty to TDI.

2026-9713

Commissioner's Order

Baylor Scott & White Insurance Company

Page 5 of 10

25. In 5% (1 of 21) of complaints reviewed, BSW did not pay the electronic clean claim within 30 days of receipt of the claim.
26. In 5% (1 of 21) of complaints reviewed, BSW did not pay penalties to an institutional preferred provider on claims paid between 46 and 90 days late, including all applicable prompt payment penalties payable to TDI. BSW represented that it has reprocessed the claim and paid the penalty and interest to the provider and TDI.
27. In 5% (1 of 21) of complaints reviewed, BSW failed to effect a fair, prompt, and equitable settlement of a claim, in which liability had become reasonably clear.

Provider Directories

28. TDI reviewed BSW's health care provider lists and directories for statutory compliance.
29. BSW did not maintain accurate written lists of contracted providers by conducting an ongoing review of its directory, to correct or update the information as necessary, no less than once a month.

Health Care Provider Credentialing

30. TDI sampled credentialing files for statutory compliance.
31. In 3% (1 of 31) of credentialing dates provided, the provider was not recredentialed within 36 months of the previous credentialing decision. In the previous exam, 21% were in violation.
32. In 20% (2 of 10) of initial credentialing files reviewed, BSW did not use the Texas Standardized Credentialing Application.
33. In 25% (3 of 12) of recredentialed files reviewed, BSW did not use the Texas Standardized Credentialing Application.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE Chs. 38, 82, 84, 1301, 1451, 1456, and 4201; and 28 TEX. ADMIN. CODE Chs. 3, 19, and 21.
2. The commissioner has the authority to informally dispose 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.
3. BSW 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. BSW violated TEX. INS. CODE § 4201.302 because a notice of determination made by the utilization review agent was sent later than the second working day after the date of the request.
5. BSW violated TEX. INS. CODE § 4201.153 and 28 TEX. ADMIN. CODE § 19.1705(d) because an adverse determination was issued regarding medical necessity without referring those determinations to an appropriate physician or health care provider.
6. BSW violated TEX. INS. CODE § 4201.206 and 28 TEX. ADMIN. CODE § 19.1703(b)(26)(A) because an adverse determination was issued without affording the provider of record a reasonable opportunity to discuss treatment no less than one working day prior to issuing the determination.
7. BSW violated TEX. INS. CODE § 4201.356(a) and 28 TEX. ADMIN. CODE § 19.1711(a)(4) because it did not state an adverse determination appeal was reviewed by a provider not previously involved in the initial adverse determination decision.
8. BSW violated TEX. INS. CODE § 4201.206(a) because the URA did not provide the referring physician a reasonable opportunity to discuss the patient's treatment plan with a URA physician who is licensed to practice medicine in this state prior to issuing an appeal adverse determination.

2026-9713

Commissioner's Order

Baylor Scott & White Insurance Company

Page 7 of 10

9. BSW violated TEX. INS. CODE § 4201.359(b)(2) and 28 TEX. ADMIN. CODE § 19.1711(a)(8)(D) because an appeal resolution letter did not include the specialty physician who made the determination.
10. BSW violated TEX. INS. CODE § 1301.010 because BSW did not provide the balance billing prohibition notification in the explanation of payments to the providers on noncontracted claims.
11. BSW violated TEX. INS. CODE § 1301.137(a) and (l), and 28 TEX. ADMIN. CODE § 21.2815(a) because it did not pay penalties on non-institutional preferred providers' claims within 30 to 45 days, including an 18% annual interest penalty to TDI.
12. BSW violated TEX. INS. CODE §§ 1301.069, 1301.155, and 1301.164; and 28 TEX. ADMIN. CODE § 21.2823 because it did not process a non-contracted provider of an emergency, specialty, or other health care service in accordance with prompt payment requirements.
13. BSW violated 28 TEX. ADMIN. CODE § 21.2821 because it did not accurately report the number of claims paid within statutory timeframe during the scope of this exam based on the prompt payment claim reports filed with TDI on a quarterly basis.
14. BSW violated TEX. INS. CODE §§ 1301.103, 1301.137(c), and (l) because it did not pay the electronic clean claim within 30 days of receipt of the claim and did not pay applicable penalties, including an 18% annual interest penalty to TDI.
15. BSW violated TEX. INS. CODE §§ 1307.137(b) and (l), and 28 TEX. ADMIN. CODE § 21.2815(a)(5) because it did not pay penalties to an institutional preferred provider on claims paid between 46 and 90 days late, including all applicable prompt payment penalties payable to TDI.
16. BSW violated TEX. INS. CODE § 542.003(b)(4) because it failed to effect a fair, prompt, and equitable settlement of a claim, in which liability had become reasonably clear.

2026-9713

Commissioner's Order

Baylor Scott & White Insurance Company

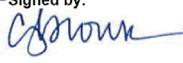
Page 8 of 10

17. BSW violated TEX. INS. CODE § 1451.505(d) because it did not maintain accurate written lists of contracted providers by conducting an ongoing review of its directory, to correct or update the information as necessary, no less than once a month.
18. BSW violated 28 TEX. ADMIN. CODE § 3.3706(c) because a provider was not recredentialed within 36 months of the previous credentialing decision.
19. BSW violated TEX. INS. CODE § 1452.052 and 28 TEX. ADMIN. CODE § 21.3201 because it did not use the Texas Standardized Credentialing Application.

Order

It is ordered that Baylor Scott & White Insurance Company pay an administrative penalty of \$55,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which TDI will send after entry of this order.

It is also ordered that Baylor Scott & White Insurance Company report to TDI on or before 30 days from the date of this order. The report will affirm that Baylor Scott & White Insurance Company has fully implemented its post-exam corrective action plan. If the company has not yet fully implemented its post-exam corrective action plan, the report will detail how the company intends to fully implement its plan, resources dedicated to implementation, timelines, and a process for independent verification of objective progress to comply with Texas law. The company must send the report to EnforcementReports@tdi.texas.gov.

Signed by:

FC5D7EDDFFBB4F8...

Cassie Brown
Commissioner of Insurance

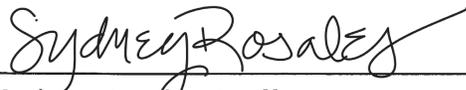
2026-9713

Commissioner's Order
Baylor Scott & White Insurance Company
Page 9 of 10

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Sydney Rosales, Staff Attorney
Enforcement

Approved as to form and content:



Rachael Padgett
Counsel for Baylor Scott & White Insurance Company

Affidavit

STATE OF Texas §

§

COUNTY OF Bell §

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

"My name is Stephanie Motter. 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 Scott and White Health Plan. I am duly authorized by said organization to execute this statement.

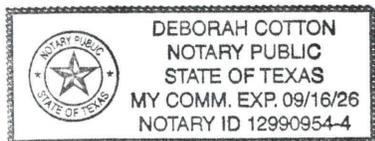
Scott and White Health Plan has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

Stephanie Motter

Affiant

SWORN TO AND SUBSCRIBED before me on December 9, 2025.

(NOTARY SEAL)



D Cotton
Signature of Notary Public

Deborah Cotton
Printed Name of Notary Public