

No. **2026-9781**

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

Date: 01/30/2026

Subject Considered:

Memorial Hermann Commercial Health Plan, Inc.
11740 Katy Hwy Bldg III
Houston, Texas 77079

Consent Order
TDI Enforcement File No. 35359

General remarks and official action taken:

This is a consent order with Memorial Hermann Commercial Health Plan, Inc. (Memorial Hermann) for violations discovered during its triennial quality of care examination. Memorial Hermann has agreed to pay a \$130,000 administrative penalty.

Waiver

Memorial Hermann acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Memorial Hermann 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

1. The department issued Memorial Hermann a health maintenance organization certificate, number 13765811, effective September 28, 2018.

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2. This triennial quality of care examination covers activity between January 1, 2020, and December 31, 2022, on Memorial Hermann's Health Maintenance Organization line of business.
3. Memorial Hermann contracted services with the following companies:
 - a. To process and adjudicate claims:
 - i. Memorial Hermann Health Solutions Inc., effective 01/01/2019;
 - ii. Cognizant TriZelto Software Group, Inc., effective 09/30/2013;
 - iii. United Behavioral Health, effective 07/01/2017-12/31/2022;
 - iv. Navitus Health Solutions, LLC, effective 01/01/2021; and
 - v. Liberty Dental Plan of Texas, Inc., effective 03/01/2021.
 - b. To perform prospective, concurrent, and retrospective utilization review:
 - i. Memorial Hermann Health Solutions Inc., effective 01/01/2019;
 - ii. United Behavioral Health, dba OptumBH, effective 07/01/2017-12/31/2022;
 - iii. Navitus Health Solutions, LLC, effective 01/01/2021; and
 - iv. Liberty Dental Plan of Texas, Inc., effective 03/01/2021.
 - c. Provider Networks:
 - i. Optum, Inc., effective 01/01/2016-12/31/2020;
 - ii. United Behavioral Health, effective 07/01/2017-12/31/2022;
 - iii. Navitus Health Solutions, LLC, effective 01/01/2021; and
 - iv. Liberty Dental Plan of Texas, Inc., effective 03/01/2021.
 - d. To Credential and Recredential Participating Health Care Providers:
 - i. Memorial Hermann Health Solutions, Inc., effective 01/01/2019;
 - ii. Multiplan, effective 09/01/2015;
 - iii. OptumBH, Inc., effective 07/01/2017-12/31/2022;
 - iv. TractManager dba Symplr, effective 10/16/2020; and
 - v. Liberty Dental Plan of Texas, Inc., effective 03/01/2021.

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4. The department previously conducted a Quality of Care Examination covering activity between January 1, 2019, through December 31, 2019, on Memorial Hermann's Health Maintenance Organization commercial line of business.
5. The department previously conducted an audit of adverse determinations issued by or on behalf of Memorial Hermann for the period beginning July 1, 2020, through June 30, 2021. The violations discovered during the exam were addressed in Official Order No. 2022-7656, dated December 5, 2022.

Delegation Oversight

6. Memorial Hermann failed to provide a periodic signed statement acknowledging that the Health Maintenance Organization's representative reviewed the information required in the monitoring plan.
7. Memorial Hermann failed to provide a periodic signed statement acknowledging that the Health Maintenance Organization's Chief Financial Officer reviewed the most recent financial statements of the delegated entities.

Utilization Review

8. The department reviewed 1,136 utilization review requests to determine statutory compliance.
9. In <1% (6 of 1,136) of utilization review requests reviewed, a notice of determination made by the utilization review agent was sent later than the second working day after the date of the request.

Initial Adverse Determinations

10. The department reviewed a sample of 36 initial adverse determinations to determine statutory compliance.
11. In 13% (5 of 36) of the initial adverse determinations reviewed, Memorial Hermann failed to afford the provider of record a reasonable opportunity to discuss treatment prior to issuing the adverse determination. In Memorial Hermann's previous examination, similar violations were discovered: 10% (3 of 30) of the initial adverse determinations reviewed were in violation.

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12. In 22% (8 of 36) of the initial adverse determinations reviewed, Memorial Hermann failed to provide the utilization review agent's telephone number to the provider to discuss the pending determination. In Memorial Hermann's previous examination, similar violations were discovered: 3% (1 of 30) of the initial adverse determination files reviewed were in violation.
13. In 3% (1 of 36) of the initial adverse determinations reviewed, Memorial Hermann failed to provide notice of an adverse determination within one working day, by telephone or electronic transmission, to a patient who is hospitalized and the provider.
14. In 3% (1 of 36) of the initial adverse determinations reviewed, Memorial Hermann issued the adverse determination later than three calendar days from receipt of a preauthorization request.
15. In 3% (1 of 36) of the initial adverse determinations reviewed, Memorial Hermann failed to include in the decision letter the professional specialty of the physician, doctor, or other health care provider that made the adverse determination. In the previous examination, 3% (1 of 30) of the initial adverse determinations reviewed were in violation.

Adverse Determination Appeals

16. The department reviewed a sample of 21 adverse determination appeals to determine statutory compliance.
17. In 4% (1 of 21) of the adverse determination appeals reviewed, Memorial Hermann failed to send an appeal acknowledgment letter within five working days after receiving the appeal.
18. In 76% (16 of 21) of the adverse determination appeals reviewed, Memorial Hermann failed to provide or include required provisions in the appeal acknowledgment letter.
 - a. Of the 16 adverse determination appeals found to be in violation, 14 were due to Memorial Hermann's failure to include the date the appeal was received.

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- b. Of the 16 adverse determination appeals found to be in violation, 11 were due to Memorial Hermann's failure to include a list of relevant documents that must be submitted by the appealing party to the utilization review agent.
 - c. Of the 16 adverse determination appeals found to be in violation, two were due to Memorial Hermann's failure to include a one-page appeal form after receiving an oral appeal.
19. In 14% (3 of 21) of the adverse determination appeals reviewed, Memorial Hermann failed to recognize oral appeals from members and providers. An appeal acknowledgement letter was provided but incorrectly stated that only members could lodge an appeal and required an authorized representative letter to be completed before Memorial Hermann would recognize the appeal and allow a provider to act on behalf of the member. Memorial Hermann would then measure all time requirements from the date of receipt of the authorization letter.
20. In 14% (3 of 21) of the adverse determination appeals reviewed, Memorial Hermann failed to send written notice of the determination of the appeal to the appealing party no later than the 30th calendar day after the date the request was received.

Claims Processing

21. The department reviewed a sample of 50 claims to determine statutory compliance.
22. In 8% (4 of 50) of the claims reviewed, Memorial Hermann sought to recover refunds due to overpayments or completions of audits without written notice of overpayment to providers that contained: the specific claims and refund amounts due; the basis and specific reasons for the refund request; the provider's right to appeal; and the methods by which the company intends to recover the funds. In the previous examination, 5% (2 of 40) of the claims reviewed were in violation.
23. In 2% (1 of 50) of the claims reviewed, Memorial Hermann failed to pay for emergency care performed by non-network physicians or providers at the usual and customary rate or at an agreed rate.
24. In 6% (3 of 50) of the claims reviewed, Memorial Hermann failed to complete an audit within 180 calendar days from receipt of a clean claim.

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Procedural Review of Complaint Files

25. Memorial Hermann failed to maintain a complaint log for each of the required categories. Memorial Hermann's previous examination found similar violations.

Initial Complaints

26. The department reviewed a sample of 10 initial complaints to determine statutory compliance.
27. In 10% (1 of 10) of the initial complaints reviewed, Memorial Hermann failed to include the date the complaint was received in the acknowledgement letter.
28. In 70% (7 of 10) of the initial complaints reviewed, Memorial Hermann failed to send an acknowledgment letter within five business days after the complaint was received. In Memorial Hermann's previous examination, 26% (5 of 19) of the initial complaints reviewed were in violation.
29. In 40% (4 of 10) of the initial complaints staff reviewed, Memorial Hermann's acknowledgement letter failed to include a description of the complaint process and processing time frames.
30. In 60% (6 of 10) of the initial complaints reviewed, Memorial Hermann's acknowledgement letter failed to contain a one-page complaint form that prominently and clearly states that the form must be returned for prompt resolution of the complaint.
31. In 10% (1 of 10) of the initial complaints reviewed, Memorial Hermann failed to resolve the complaint within 30 calendar days after receiving the written complaint or one-page complaint form. In Memorial Hermann's previous examination, 26% (5 of 19) of the initial complaints reviewed were in violation.
32. In 10% (1 of 10) of the initial complaints reviewed, Memorial Hermann's complaint response letter failed to explain the resolution of the complaint, including the specific medical and contractual reason.
33. In 60% (6 of 10) of the initial complaints reviewed, Memorial Hermann's complaint resolution letter failed to describe the appeals process, including the right of the complainant to: appear in person before a complaint appeal panel at the site the

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enrollee normally receives health care services or at a site agreed to by the complainant; or address a written appeal to the complaint appeal panel.

34. In 40% (4 of 10) of the initial complaints reviewed, Memorial Hermann failed to send an acknowledgment letter within five business days after the date the written request for an appeal is received.
35. In 20% (2 of 10) of the initial complaints staff reviewed, Memorial Hermann failed to complete the appeals process by the 30th calendar day after the date the written request for appeal is received.

Provider Directories

36. In 86% (159 of 183) of the directory update submissions reviewed, Memorial Hermann failed to correct its directory by the seventh day after the date the report, notice, or complaint was received.

Provider Notifications

37. In 16% (50 of 302) of provider network participation applications, Memorial Hermann failed to notify providers of acceptance or non-acceptance in writing within 90 days from receipt of an application. In Memorial Hermann's previous examination, 19% (27 of 145) of provider network application responses were in violation.

Mental Health Parity

38. Memorial Hermann failed to file its annual mental health parity data with the department for 2020 and 2022.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 843.252, 843.253, 843.254, 843.305, 843.348, 843.350, 1271.155, 1451.505, 4201.206, 4201.302, 4201.304, 4201.354, 4201.355, and 4201.359; and 28 TEX. ADMIN. CODE § 11.204, 11.2604, 19.1703, 19.1709, 19.1710, 21.2422, 21.2504, and 21.2809.

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2. The commissioner has the authority to dispose informally of this matter as set forth in TEX. GOV'T CODE § 2001.056, and TEX. INS. CODE §§ 36.104 and 82.055.
3. Memorial Hermann 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. Memorial Hermann violated 28 TEX. ADMIN. CODE § 11.204(27)(A)-(J) by failing to maintain a complaint log that categorizes each complaint using the required categories and noting all that are applicable to the complaint.
5. Memorial Hermann violated 28 TEX. ADMIN. CODE § 11.2604(b)(3)(A) by failing to maintain a periodic signed statement acknowledging that its representative for the delegation agreement reviewed the information required in the agreement's monitoring plan.
6. Memorial Hermann violated 28 TEX. ADMIN. CODE § 11.2604(b)(3)(B) by failing to maintain a periodic signed statement acknowledging that its Chief Financial Officer reviewed the most recent financial statements of its delegated entities.
7. Memorial Hermann violated 28 TEX. ADMIN. CODE § 19.1709(c)(4) by failing to include in the written notice of adverse determination, the professional specialty of the physician, doctor, or other health care provider that made the adverse determination.
8. Memorial Hermann violated 28 TEX. ADMIN. CODE § 21.2422 by failing to file its required annual mental health parity data with the department for 2020 and 2022.
9. Memorial Hermann violated 28 TEX. ADMIN. CODE § 21.2504(c) by failing to maintain a complaint log that includes proper entries for a function code category and a reason code category.
10. Memorial Hermann violated 28 TEX. ADMIN. CODE § 21.2809(d) by failing to complete an audit within 180 calendar days from receipt of a clean claim.
11. Memorial Hermann violated TEX. INS. CODE § 843.252(a) and (b) by sending an acknowledgment letter later than the fifth business day after receiving a complaint,

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- failing to include a description of the complaint procedures and time frames, and failing to include a one-page complaint form that prominently and clearly states that the form must be returned for prompt resolution of the complaint.
12. Memorial Hermann violated TEX. INS. CODE § 843.252(c) by failing to resolve a complaint not later than the 30th calendar day after the date of receipt of the written complaint or the one-page complaint form.
 13. Memorial Hermann violated TEX. INS. CODE § 843.253(b)(1) and (2) by failing to include in its complaint response letter, an explanation of the resolution of the complaint and the specific medical and contractual reasons for the resolution.
 14. Memorial Hermann violated TEX. INS. CODE § 843.254(a)(1) and (2) by failing to include in its complaint resolution letter a description of the appeals process including the right of the complainant to appear in person before a complaint appeal panel at the site the enrollee normally receives health care services or at a site agreed to by the complainant, or the right to address a written appeal to the complaint appeal panel.
 15. Memorial Hermann violated TEX. INS. CODE § 843.254(b) by failing to send an acknowledgment letter to the complainant not later than the fifth business day after the date the written request for appeal was received.
 16. Memorial Hermann violated TEX. INS. CODE § 843.254(c) by failing to complete the appeals process not later than the 30th calendar day after the date the written request for appeal was received.
 17. Memorial Hermann violated TEX. INS. CODE § 843.305(c) and 28 TEX. ADMIN. CODE § 11.1402(c) by failing to notify a physician or provider of the acceptance or nonacceptance, in writing, no later than 90 days from receipt of an application for participation in a network.
 18. Memorial Hermann violated TEX. INS. CODE § 843.348(d) and 28 TEX. ADMIN. CODE § 19.1718(d)(1) by failing to review and issue a determination for preauthorization not later than the third calendar day after the date the request was received.
 19. Memorial Hermann violated TEX. INS. CODE § 843.350(a)(1) and (b) and 28 TEX. ADMIN. CODE § 21.2818(b) by seeking to recover funds due to overpayment without providing written notice of overpayment to the provider that included the specific

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claims and amounts for which a refund is due, the basis and specific reasons for the request for refund for each claim, notice of the right to appeal, and a description of the methods by which Memorial Hermann intends to recover the funds.

20. Memorial Hermann violated TEX. INS. CODE § 1271.155(a) by failing to pay for emergency care performed by non-network physicians or providers at the usual and customary rate or at an agreed rate.
21. Memorial Hermann violated TEX. INS. CODE § 1451.505(e) by failing to correct its network provider directory information not later than the seventh day after the date it received a report identifying possible inaccurate information.
22. Memorial Hermann violated TEX. INS. CODE § 4201.206 and 28 TEX. ADMIN. CODE §§ 19.1703(b)(26)(A) and 19.1710 by failing to provide the health care provider who ordered, requested, provided, or is to provide the service a reasonable opportunity to discuss with a physician licensed to practice medicine in this state the patient's treatment plan and the clinical basis for the determination.
23. Memorial Hermann violated 28 TEX. ADMIN. CODE § 19.1710(1) by failing to provide the utilization review agent's telephone number so the provider of record may contact the utilization review agent to discuss the pending adverse determination.
24. Memorial Hermann violated TEX. INS. CODE § 4201.302 by mailing or otherwise transmitting the required notice later than the second working day after the date of the request for utilization review and the date the agent received all the information necessary to complete the review.
25. Memorial Hermann violated TEX. INS. CODE § 4201.304(1) by failing to provide notice of an adverse determination within the required timeframe.
26. Memorial Hermann violated TEX. INS. CODE § 4201.354 by failing to accept an appeal from a person acting on the enrollee's behalf, or the enrollee's physician or other health care provider.
27. Memorial Hermann violated TEX. INS. CODE § 4201.355(a) and 28 TEX. ADMIN. CODE § 19.1711(a)(3)(A) by failing to send an appeal acknowledgment letter within five working days from the date the appeal was received.

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28. Memorial Hermann violated TEX. INS. CODE § 4201.355(a) and 28 TEX. ADMIN. CODE § 19.1711(a)(3)(B) by failing to provide an appeal acknowledgement letter acknowledging the date the appeal was received.
29. Memorial Hermann violated TEX. INS. CODE § 4201.355(b) and 28 TEX. ADMIN. CODE § 19.1711(a)(3)(C) by failing to include, in an appeal acknowledgement letter, a list of relevant documents that must be submitted.
30. Memorial Hermann violated TEX. INS. CODE § 4201.355(c) and 28 TEX. ADMIN. CODE § 19.1711(a)(3)(D) by failing to include a one-page appeal form with an appeal acknowledgement letter.
31. Memorial Hermann violated TEX. INS. CODE § 4201.359(a) by failing to send written notice of the determination of the appeal not later than the 30th calendar day after the date the utilization review agent received the appeal.

Order

It is ordered that Memorial Hermann Commercial Health Plan, Inc. pay an administrative penalty of \$130,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

It is also ordered that Memorial Hermann report to the department on or before 30 days from the date of this order. The report will affirm that Memorial Hermann has fully implemented its post-exam corrective action plan. If Memorial Hermann 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. Memorial Hermann must send the report to EnforcementReports@tdi.texas.gov

Signed by:

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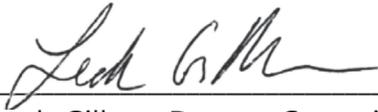
Cassie Brown

Commissioner of Insurance

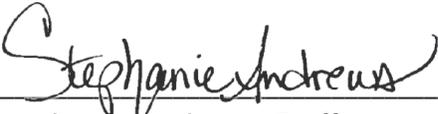
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Stephanie Andrews, Staff Attorney
Enforcement

