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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT: UTAH INSURANCE DEPARTMENT	STIPULATION AND ORDER Docket No. 2011-193 HL
RESPONDENTS: SELECTHEALTH INC. 5381 Green Street Murray, UT 84123 NAIC ID 95153	Enf. Case Nos. 2765 & 2835

STIPULATION

1. Respondent, SelectHealth Inc. is a Health Maintenance Organization authorized to do business in the State of Utah, NAIC number 95153 and Company ID number 1544.

3. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:

- a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
- b. Respondent admits the Findings of Fact and Conclusions made therefrom;
- c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and

d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

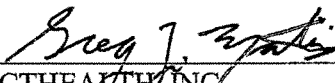
3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

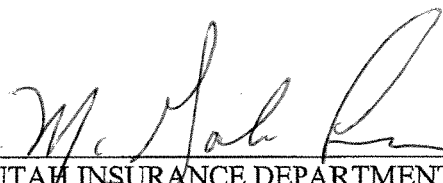
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 9th day of September, 2011.



SELECTHEALTH, INC.
Greg J. Matis, Senior Counsel



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. Respondent, SelectHealth Inc. is a Health Maintenance Organization authorized to do business in the State of Utah.

2. On November 12, 2010, Respondent SelectHealth, Inc. provided to the Health Division Director a list of its five most common plans.

3. At a December 28, 2010 meeting of the Risk Adjuster Board, it was alleged that the Respondent had not offered its five most common plans on the Utah Health Exchange.

4. A meeting to address the allegation was held on January 5, 2011. Commissioner Gooch, Tanji Northrup, Nancy Askerlund, and Carrie Monnier of the Department met with Respondent's representatives Jim Murray, Director of Government Programs, Compliance and Contracts & Privacy, and Issac Squire, Actuary for SelectHealth to discuss the issue of the five most common plans that should have been offered on the Utah Health Exchange. During this meeting, Respondent did acknowledge that the plans posted on the Exchange mistakenly did not include its five most common plans.

5. The Respondent's top five benefit plans identified by its actuaries to comply with Section 31A-30-205(1)(e) did have a Point of Service (POS) feature. However, due to an internal error on the part of Respondent's marketing department, the POS feature was not included in the plans posted on the Exchange. This resulted in Respondent's SelectMed plans being offered on the Exchange instead of its SelectMed Plus plans with the POS feature being

offered on the Exchange.

6. Respondent acknowledged the error and instituted appropriate measures to correct it by adding the POS benefit to all members who have purchased the SelectMed plans on the Utah Health Exchange. In addition, Respondent agreed to add the Point of Service (POS) benefit to all of its SelectMed plans being offered on the Utah Health Exchange going forward.

7. Respondent added the POS feature on all products offered in the SelectMed network on the Utah Health Exchange retroactive to January 1, 2011.

8. Respondent notified all members affected by the change outlined above, and has identified 131 subscribers and 394 members on the SelectMed network that are enrolled in the top five products that require the change to add the POS feature.

9. On January 24, 2011, with the assistance from Sue Watson, Product Manager for the Utah Health Exchange, the total number of individuals who viewed both the plans and the rates on the Exchange were identified. The number of members viewing the plans and rates on Utah Health Exchange with an effective date of January 1, 2011 were identified as 881. The number of members viewing the plans and rates on the Utah Health Exchange with an effective date of February, 2011 were identified as 439, for a total of 1320 members.

10. On February 7, 2011, the Department agreed to meet with Respondent's representatives to discuss the Departments findings and monetary forfeitures to be applied to each violation. Department representatives and Greg Matis, Senior Counsel for Respondent reached an agreement regarding the applicable violations and monetary forfeiture.

11. On or about September 21, 2010, Respondent filed a rating manual for the defined contribution market to be effective January 1, 2011.

12. In loading its SelectMed \$1000, Office Waiver, \$7500 Maternity Plan (Plan Design S30A0315) onto the Utah Health Exchange using the bSwift system, Respondent made a keying error and inadvertently showed the plan with a \$0 prescription deductible instead of the \$500 prescription deductible filed in the rating manual.

13. In loading a plan onto the Utah Health Exchange with a prescription deductible that had not been filed with that plan, the Respondent created, published, and marketed a plan for which a rating manual had not been filed with the Department.

14. While the unfiled plan was published, 7 groups, consisting of 34 members, purchased the plan. Respondent initially attempted to implement the prescription deductible for these members at \$500, but then honored the plan as sold and refunded deductibles paid by these members.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Code Ann § 31A-30-205(1)(e) states as follows:

(1) An insurer who offers a defined contribution arrangement health benefit plan shall offer the following health benefit plans as defined contribution arrangements: . . .

(e) the insurer's five most commonly selected health benefit plans that:

(i) include:

- (A) the provider panel;
- (B) the deductible;
- (C) co-payments;
- (D) co-insurance;
- (E) pharmacy benefits

(ii) are currently being marketed by the carrier to new groups for enrollment

2. Respondent violated Section 31A-30-205(1)(e) by failing to provide its five most common plans on the Utah Health Exchange.

3. Utah Code Ann. § 31A-2-202(6) requires that “[a]ll information submitted to the commissioner shall be accurate and complete.

4. Respondent violated Section 31A-2-202(6) by submitting inaccurate information to the Commissioner.

5. In inadvertently publishing and selling a health care plan for which Respondent had not filed a rating manual, Respondent violated Utah Admin. Code Rules R590-167-11(2) and R590-220-10(2).

6. An administrative forfeiture in the amount of \$14,500.00 is appropriate under the circumstances.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondent, SelectHealth Inc., is hereby assessed a forfeiture in the amount of \$14,500.00 to be paid to the Utah Insurance Department within 30 days of issuance of this Order.

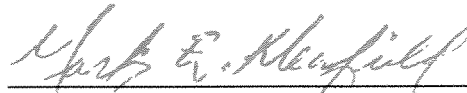
NOTIFICATION

Respondent is hereby notified that failure to abide by the terms of this Order may subject it to further penalties, including additional forfeitures of up to \$5,000.00 per violation and the suspension or revocation of its license, and the filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

Respondent is further notified that other jurisdictions in which it may be licensed may require that it report this action to them.

DATED this 13 day of Sept., 2011.

NEAL T. GOOCH
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
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Telephone: (801) 538-3800