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**BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF UTAH**

**COMPLAINANT:**

UTAH INSURANCE DEPARTMENT

**RESPONDENT:**

REGENCE BLUECROSS BLUESHIELD  
OF UTAH

2890 East Cottonwood Parkway  
Salt Lake City, UT 84130-0270  
Utah Co. Id. No. 1324

**STIPULATION  
&  
ORDER**

**Docket No.** 2011-109 HL

**Enf. Case No.** 2788

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**STIPULATION**

1. Respondent, Regence BlueCross BlueShield of Utah, is a non-profit health service organization domiciled and authorized to do business in the State of Utah, Utah Organization Identification No. 1324.

2. 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 the purpose of disposition of the matter entitled herein.

DATED this 6 day of June, 2011.

  
REGENCE BLUECROSS BLUESHIELD  
OF UTAH  
Jennifer Cannaday, Market VP for Utah

  
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 Regence BlueCross BlueShield of Utah (“Regence”) posted on the Utah Health Exchange their health benefit plan, Innova Option 12. Regence posted that plan with a prescription drug benefit with a \$35.00 co-pay for formulary brand medications.

2. The plan’s actual prescription drug benefit was 35% co-pay for formulary brand medications, not a \$35.00 co-pay.

3. The plan, as posted to the Utah Health Exchange, was not the plan as filed with the Utah Insurance Department.

4. Investigation showed that the error in posting the plan to the Utah Health Exchange was the result of an inadvertent typographical error on the part of Regence, and the posting was corrected by Regence when brought to their attention.

5. During the time the plan was posted with the incorrect prescription drug benefit, at least 15 subscribers purchased the plan as posted.

6. Regence cooperated with the Department to correct the problem of using an unfiled form, by providing the subscribers who purchased the plan with the incorrect prescription drug benefit, a filed product with a richer prescription drug benefit than either the plan as purchased or as originally filed, at no additional cost to the subscribers.

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

**CONCLUSIONS OF LAW**

1. In marketing a health plan in the State of Utah that was not filed with the Department, Respondent, Regence BlueCross BlueShield of Utah, violated Utah Code Annotated § 31A-21-201(1)(a).

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

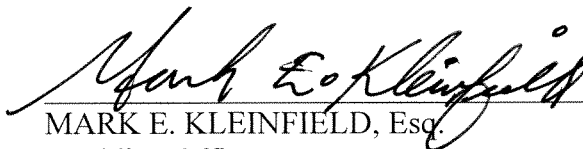
**ORDER**

IT IS HEREBY ORDERED:

1. Respondent, Regence BlueCross BlueShield of Utah is assessed an administrative forfeiture in the amount of \$5,000.00, to be paid within 30 days of the date of this Order.

DATED this 14<sup>th</sup> day of June, 2011.

NEAL T. GOOCH  
INSURANCE COMMISSIONER



MARK E. KLEINFELD, Esq.  
Presiding Officer  
Utah Insurance Department  
State Office Building, Room 3110  
Salt Lake City, Utah 84114  
Telephone (801) 538-3800

**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 your 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.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.