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BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant, vs. REGENCE BLUECROSS BLUESHIELD OF UTAH, Respondent.	NOTICE OF AGENCY ACTION AND ORDER Docket No. 2023-4529 Donald H. Hansen Administrative Law Judge/Presiding Officer
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NOTICE OF AGENCY ACTION

The Utah Insurance Department (“the Department”) commences this agency action as an informal adjudicative proceeding against Regence BlueCross BlueShield of Utah (“Respondent”) pursuant to Utah Code § 31A-2-201 and 63G-4-201 through -203 and to Utah Admin. Code R590-160.

This agency action is based on the facts and law set forth in the attached Declaration and is designated as an informal adjudicative proceeding pursuant to Utah Code § 63G-4-202(1) and Utah Admin. Code R590-160-4 and -7.

ORDER

Based on the facts and the law set forth in the attached Declaration, and good cause appearing, the Utah Insurance Commissioner orders as follows:

1. Respondent shall forfeit to the Department the amount of \$5,000.00 within thirty days of this order.

2. Respondent is ordered not to commit the violations described in the Declaration in the future.

3. Pursuant to Utah Code § 63G-4-203(1)(i) and Utah Admin. Code R590-160-7(1), this informal adjudicative proceeding shall be deemed closed, and this Order shall become final and take full effect, 15 days after this Notice of Agency Action and Order is emailed to Respondent unless a request for a hearing on this matter is received from Respondent prior to that date.

4. A request for a hearing shall be in writing and sent by email to uidadmincases@utah.gov or by U.S. mail to Office of the Administrative Law Judge, Utah Insurance Department, 4315 S. 2700 W., Suite 2300, Taylorsville, UT 84129.

5. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.

6. If you fail to request a hearing you will be bound by this Order. Failure to request a hearing will be deemed a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

DATED this 22nd day of June, 2023

JONATHAN T. PIKE
Utah Insurance Commissioner

/s/ Donald H. Hansen

DONALD H. HANSEN
Administrative Law Judge/Presiding Officer
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129
Telephone: 801-957-9321
Email: uidadmincases@utah.gov

NOTICE REGARDING ENFORCEMENT OF THE ORDER

Failure to obey this Order may subject you to further penalties that include a forfeiture of up to \$5,000 per violation, with each day of the violation constituting a separate violation. Other penalties for failing to obey this Order may include license suspension, probation, refusal to renew, or revocation. Failure to obey this Order may also result in an action being taken against you in a court of competent jurisdiction where forfeitures of up to \$10,000 for each day the failure to comply continues until judgment is rendered. If you are licensed in other jurisdictions, you may be required to report this proceeding in those jurisdictions.

DECLARATION

Under criminal penalty of Utah law, I, Kathleen Jaques, declare the following:

1. I am currently employed as a Market Conduct Examiner with the Utah Insurance Department (“Department”) where my responsibilities include investigating and enforcing Utah insurance laws.

2. I submit this Declaration as the basis for issuing the Notice of Agency Action and Order against BlueCross BlueShield of Utah (“Respondent”) to which this Declaration is attached.

3. Based on my personal knowledge and/or based on the facts appearing in the Department’s records and files, the following facts are true:

a. BlueCross BlueShield of Utah (“Respondent”) is a health organization insurer domiciled in Utah and authorized to do the business of insurance in Utah under license number 1324.

b. Respondent markets long-term care insurance policies.

c. Pursuant to Utah Admin. Code R590-146-14, R590-146-22, and R590-220-11(4), Respondent is required to electronically file its annual Medicare Supplement Refund or Credit Calculation Report, its Premium Rates Report, its 2010 Medicare Supplement Rate and Enrollment Data (as applicable), and its Multiple Policies Report annually, together as one filing, on or before May 31st of the following year.

d. On May 24, 2022, Respondent submitted its 2021 report filing under SERFF tracking number RGAC-133270718, RGAC-133270682, RGAC- 133270709, and RGAC-13327078 to the Department.

e. On May 25, 2022, Julie Chytraus, an intake specialist with the Department, sent a 72-hour notice via a Note to the Filer system, outlining the noncompliant filing provision submitted by the Respondent, and requested a response from the Respondent by May 31, 2022.

f. Respondent failed to respond to the Department's request by May 31, 2022. On June 1, 2022, the Department rejected the Respondent's filings.

g. As a result, Respondent failed to file the compliant reports on or before May 31, 2022.

h. Pursuant to Utah Admin. Code R590-220-5(3), a rejected filing is not considered filed with the Department.

i. On June 2, 2022, the Respondent corrected its filing and resubmitted its filing under SERFF tracking number RGAC-133286177, RGAC-133286167, RGAC-133286142 and RGAC-133286159. The filings were marked as received on June 15, 2022.

j. Respondent has had multiple similar violations in the past. In February 2018, the Utah Insurance Commissioner imposed a \$750.00 forfeiture against Respondent for failing to timely file its LTC reports in 2017. (*See Utah Insurance Department v. Regence BlueCross BlueShield of Utah*, Enforcement Case No. 2018-015).

k. In January of 2021, the Utah Insurance Commissioner imposed a \$3,000.00 forfeiture against Respondent for failing to timely file its LTC reports in 2019. (*See Utah Insurance Department v. Regence BlueCross BlueShield of Utah*, Enforcement Case No. 2021-4292).

l. Respondent was also previously assessed a forfeiture of \$750.00 for failing to file the annual Medicare reports for 2018 on or before June 30, 2019 (*See UID v. BlueCross BlueShield of Utah*, Enforcement Case No. 2019-015 HL).

4. The above declared facts demonstrate that the following Utah insurance law(s) were not complied with:

a. Respondent violated Utah Admin. Code r.590-146-14 (B) and (C), by failing to electronically file its annual Medicare Supplement Refund or Credit Calculation Report and its Premium Rates Report on or before May 31, 2022;

b. Respondent violated Utah Admin. Code r.590-146-22, by failing to electronically file its annual Multiple Policies Report on or before May 31, 2022; and

c. Respondent violated Utah Admin. Code r.590-220-11(4), by failing to electronically file its annual 2010 Medicare Supplement Rate and Enrollment Data (as applicable), on or before May 31, 2022.

5. Based on Utah Code § 31A-2-308 and other similar enforcement cases, the proper forfeiture for the violations should be \$5,000.00.

DATED this 20th day of June 2023, at Salt Lake City, Salt Lake County, Utah.

/s/ Kathleen Jaques

Kathleen Jaques, Market Conduct Examiner
Utah Insurance Department

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a true and correct copy of the foregoing
Notice of Agency Action and Order, with the Declaration attached to it, was sent to:

Regence BlueCross BlueShield of Utah

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

and

Kathleen Jaques
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129

[REDACTED]

DATED this 23rd day of June, 2023.

/s/ Tatiana Karaivanova
Tatiana Karaivanova
Utah Insurance Department
4315 South 2700 West, Suite 2300
Taylorsville, UT 84129
801-957-9321