

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 28, 2024

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2024-00044

HEALTHKEEPERS, INC.,
Defendant

SETTLEMENT ORDER

Based on a target market conduct examination conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that HealthKeepers, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-502 (1) of the Code of Virginia ("Code") by misrepresenting the benefits, advantages, conditions, or terms of any insurance policy; § 38.2-510 A 6 of the Code by failing to attempt in good faith to make prompt, fair and equitable settlements of claims in which liability has become reasonably clear; § 38.2-514 B of the Code by failing to provide to an insured, claimant, subscriber or enrollee, an explanation of benefits which clearly and accurately discloses the method of benefit calculation and the actual amount which has been or will be paid to the provider of services; § 38.2-3407.4 B of the Code by failing to provide explanation of benefits that accurately and clearly set forth the benefits payable under the contract; §§ 38.2-3407.15 B 1 - 3 and 38.2-3407.15 B 5 - 10 of the Code by failing to include, adhere to, and comply with specific required provisions related to minimum fair business standards in its provider contracts; §§ 38.2-3407.15:2 B 1 - 14 of the Code by failing to include specific required provisions related to prior authorization in its provider contracts; § 38.2-3445.01 B of the Code by failing to provide an explanation of benefits to the enrollee and the out-of-network provider that reflects the

cost-sharing requirement determined under this subsection; § 38.2-3445.01 C of the Code by failing to ensure that the enrollee incurs no greater cost than the amount determined under subsection B and by balance billing or otherwise attempting to collect from the enrollee any amount greater than such amount; § 38.2-3445.01 G of the Code by failing to make payments for services described in subsection A directly to the provider; § 38.2-4306.1 B of the Code by failing to pay interest upon the claim proceeds paid to the subscriber, claimant, or assignee entitled thereto at the legal rate of interest from the date of thirty calendar days from the health maintenance organization's receipt of proof of loss to the date of claim payment; and §§ 38.2-5805 C 1 - 2, 38.2-5805 C 4 - 6, and 38.2-5805 C 9 - 10 of the Code by failing to include specific provisions required for contracts between a health maintenance organization and a provider; as well as 14 VAC 5-400-40 B of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.* of the Virginia Administrative Code, by misrepresenting the benefits, coverages, or other provisions of any insurance policy when such benefits, coverages, or other provisions are pertinent to a claim; Rule 14 VAC 5-400-100 B by failing to provide to an insured, for accident and sickness claims, an explanation of benefits describing the coverage for which the claim is paid or denied within 21 calendar days of receipt of proof of loss, unless otherwise specified in the policy; Rule 14 VAC 5-405-70 B 1 of the Commission's Rules Governing Balance Billing for Out-of-Network Health Care Services, 14 VAC 5-405-10 *et seq.*, by failing to provide an enrollee with a clear description of the managed care plan's out-of-network health benefits outlined in the plan documents that also explains the circumstances under which the enrollee may have payment responsibility in excess of cost-sharing amounts for services provided out-of-network; and Rule 14 VAC 5-405-70 B 3 by failing to provide an enrollee with an

explanation of benefits that clearly indicates whether the enrollee may or may not be subject to balance billing if it contains claims from out-of-network providers.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. Through its settlement offer, and within 120 days from the entry of this Settlement Order, the Defendant has agreed to comply with the corrective action plan set forth in the Bureau's examination report; has tendered to the Treasurer of Virginia the amount of Two Hundred Fifty Thousand Five Hundred Dollars (\$250,500); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to: Kim Stevens, Anthem Health Plans of Virginia, Inc., at kimberly.stevens@elevancehealth.com, 2015 Staples Mill Road, Richmond, Virginia 23230; and a copy shall be delivered to the

Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy
Commissioner Julie Blauvelt.

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