

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI**

<i>In Re:</i>)	
)	
COVENTRY HEALTH AND LIFE INSURANCE COMPANY (NAIC #81973))	Market Conduct Examination No. 1603-19-TGT
)	
)	Market Conduct Investigation No. 11116-81973-LH
)	
COVENTRY HEALTH CARE OF MISSOURI, INC. (NAIC #96377))	Market Conduct Examination No. 1603-20-TGT
)	
COVENTRY HEALTH CARE OF KANSAS, INC. (NAIC #95489))	Market Conduct Examination No. 1603-21-TGT

ORDER OF THE DIRECTOR

NOW, on this 29th day of January, 2019, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division"), and Coventry Health and Life Insurance Company (NAIC #81973) (hereinafter "Coventry Health and Life"), Coventry Health Care of Missouri, Inc. (NAIC #96377) (hereinafter "Coventry Missouri"), and Coventry Health Care of Kansas, Inc. (NAIC #95489) (hereinafter "Coventry Kansas") relating to the market conduct examinations and investigation set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §§374.205.2(5) and 374.046.15 RSMo 2016, is in the public interest.

IT IS THEREFORE ORDERED that Coventry Health and Life, Coventry Missouri, Coventry Kansas and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Coventry Health and Life, Coventry Missouri and Coventry Kansas shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place Coventry Health and Life, Coventry Missouri and

Coventry Kansas in full compliance with the requirements in the Stipulation, shall maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 29th day of January, 2019.



Chlora Lindley-Myers
Director



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STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Coventry Health and Life Insurance Company (NAIC #81973) (hereinafter “Coventry Health and Life”), Coventry Health Care of Missouri Inc. (NAIC #96377) (hereinafter “Coventry Missouri”) and Coventry Health Care of Kansas Inc. (NAIC #95489) (hereinafter “Coventry Kansas”) (hereinafter collectively “Coventry”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereinafter “the Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri;

WHEREAS, Coventry Health and Life, Coventry Missouri and Coventry Kansas have been granted certificates of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted Market Conduct Examinations of Coventry Health and Life, Coventry Missouri and Coventry Kansas and a Market Conduct Investigation of

Coventry Health and Life;

WHEREAS, based on the Market Conduct Examinations of Coventry Health and Life, Coventry Missouri and Coventry Kansas, the Division alleges that:

1. Errors were found in autism claim files for Coventry Health and Life concerning claim denials relating to applied behavior analysis.
2. Coventry did not provide explanation of benefits (EOB's) to members when the member did not have a financial responsibility.
3. Coventry did not update certain provider contracts following the acquisition of Coventry by the Aetna group of companies.
4. In some instances, Coventry utilized unapproved forms.

WHEREAS, based on the Market Conduct Investigation of Coventry Health and Life, the Division reviewed association and discretionary group business marketed in Missouri to Missouri residents or groups.

WHEREAS, the Division and Coventry have agreed to resolve the issues raised in the Market Conduct Examinations as follows:

A. **Scope of Agreement.** This Stipulation of Settlement (hereinafter "Stipulation") and the Coventry Compliance Review Plan embody the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. **Remedial Action.** Coventry agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain such remedial

actions at all times, to reasonably assure that the errors noted in the Market Conduct Examinations do not recur. Such remedial actions shall include the following:

1. Coventry agrees to comply with all Missouri mandated benefits and offers as set forth under Missouri law.

2. Coventry agrees to review its compliance with Missouri's mandated benefit laws and regulations as set forth in the Coventry Compliance Review Plan, which document constitutes an examination workpaper as described in §374.205.4 and §374.070.1.

3. Coventry agrees as part of its review to re-adjudicate and pay any claims administered contrary to the terms of the mandates and mandated offers in a manner set forth in the Coventry Compliance Review Plan.

4. Coventry agrees that on or before 120 days from the date of the Order approving this Stipulation, it will withdraw all existing form filings for health insurance coverage in Missouri that utilize Coventry data systems.

5. Coventry has represented that it has made new Coventry form filings with the Director for 2019 health insurance coverage in Missouri that utilize Aetna data systems.

6. Coventry agrees that all future form filings for health insurance coverage provided in Missouri or to Missouri members will utilize Aetna data systems and will comply with the form requirements contained in the Stipulation of Settlement for Violation of an Order of the Director and Corrective Action Plan in In Re Aetna Life Insurance Company and Aetna Health Insurance Company, Case No. 120730479C.

C. **Ongoing Exam.** Coventry's review, under the Coventry Compliance Review Plan, and the Division's monitoring of that review constitute an ongoing examination.

D. **Compliance.** Coventry agrees to file documentation with the Division within 1

year of the entry of a final order of all remedial action taken to implement compliance with the terms of this Stipulation and the Coventry Compliance Review Plan and to document payment of remediation required by this stipulation and the Coventry Compliance Review Plan. Such documentation is provided pursuant to §374.205.

E. **Examination Fees.** Coventry agrees to pay any reasonable examination fees expended by the Division in conducting its review of the documentation provided by the Company pursuant to Paragraphs B and C of this Stipulation.

F. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Coventry, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced Market Conduct Examinations.

G. **Waivers.** Coventry, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the above referenced Market Conduct Examinations and Investigation.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Coventry.

I. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

J. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and Coventry respectively.


K. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single

document.

L. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final Order by the Director approving this Stipulation.

M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 1/25/2019



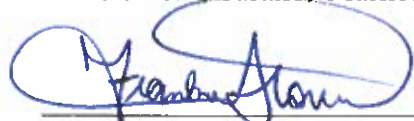
Angela Nelson
Director, Division of Insurance
Market Regulation

DATED: 1/25/2019




Stewart Freilich
Senior Regulatory Affairs Counsel
Division of Insurance Market Regulation

DATED: 1/14/19



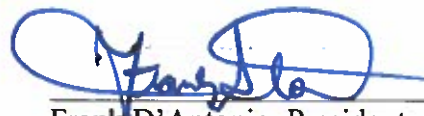
Frank D'Antonio, President
Coventry Health and Life Insurance Company

DATED: 1/14/19



Frank D'Antonio, President
Coventry Health Care of Missouri Inc.

DATED: 1/14/19



Frank D'Antonio, President
Coventry Health Care of Kansas Inc.