



**DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

TO: Office of the President  
Good Health HMO, Inc.  
P.O. Box 419169  
Kansas City, MO 64141-6169

RE: Missouri Market Conduct Examination 0903-07-TGT  
Good Health HMO, Inc. (NAIC #95315)

**STIPULATION OF SETTLEMENT**

It is hereby stipulated and agreed by John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and Good Health HMO, Inc., hereafter referred to as "Good Health," as follows:

WHEREAS, John M. Huff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "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; and

WHEREAS, Good Health has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of Good Health, Examination number 0903-07-LAH; and

WHEREAS, the report of the Market Conduct Examination has revealed that:

1. In some instances, Good Health improperly denied claims, thereby violating §§160.900, 208.144, 376.383, and 376.1218.4 and .5, RSMo, and 20 CSR 400-2.170(3)(B), (4)(C)3.C. and (4)(E).

2. In some instances, Good Health improperly reduced or underpaid claims before paying them, in that it paid the claims at a rate less than the amount billed, in violation of §§ 160.900, 208.144, 376.1218.4. and .5, RSMo, and 20 CSR 400-2.170(3)(B) and (4)(E).

3. In some instances, Good Health improperly delayed payment to the providers of First Steps claims, in violation of §§ 375.1007(11), 376.383.10, 376.1218, RSMo, and 20 CSR 400-2.170(3) and (4)(C)3.C.

4. In one instance, Good Health failed to timely and completely respond to the examiners' request for information, thereby violating § 374.205.2(2), RSMo, and 20 CSR 100-8.040.

WHEREAS, Good Health hereby agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those corrective actions at all times to assure that the errors noted in the above-referenced market conduct examination reports do not recur, including, but not limited to, taking the following actions:

1. Good Health agrees to take corrective action to assure that the errors noted in the above-referenced market conduct examination reports do not recur;

2. Good Health agrees to review all First Steps claims dated January 1, 2006, to the date a final Order is entered closing this examination, to assure that the claim was properly adjudicated and correctly paid, in accordance with § 376.1218, RSMo. If the claim was not properly adjudicated, Good Health agrees to reopen and reprocess the claim. If the claim should have been paid, the Company will issue any payments that are due to the claimant, bearing in mind that an additional payment of one per cent (1%) interest per month is also required, per § 376.384, RSMo, for any delayed payments from the date the claim was first received with a letter stating that the payments are being made "as a result of a Missouri Market Conduct examination." Additionally, evidence should be provided to the Department within 90 days of the date a final Order is entered closing this examination that such notice has been sent to the claimants.

3. Good Health agrees to file documentation of all remedial actions taken by it to implement compliance with the terms of this Stipulation of Settlement and to assure that the errors noted in the examination report do not recur, including explaining the steps taken and the results of such actions, with the Director within 90 days of the entry of a final Order closing this examination.

WHEREAS, Good Health neither admits nor denies the findings or violations set forth above and enumerated in the examination report; and

WHEREAS, Good Health is of the position that this Stipulation of Settlement is a compromise of disputed factual and legal allegations; and

WHEREAS, Good Health, 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, which may have otherwise applied to the above referenced Market Conduct Examination; and

WHEREAS, Good Health hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination #0903-07-TGT.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of Good Health to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Good Health does hereby voluntarily and knowingly waive all rights to any hearing, and does consent to the ORDER of the Director.

DATED: 9-23-10

  
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President  
Good Health HMO, Inc.