

**REPORT ON**  
**TARGET MARKET CONDUCT EXAMINATION**  
**OF**  
**HEALTHKEEPERS, INC.**  
**AS OF DECEMBER 31, 2021**

Conducted from  
June 7, 2022  
Through  
August 18, 2023

By

**Health Market Conduct Section**  
**Life and Health Market Regulation**  
**Division**  
**BUREAU OF INSURANCE**  
**STATE CORPORATION COMMISSION**  
**COMMONWEALTH OF VIRGINIA**

FEIN: 54-1356687  
NAIC: 95169

# COMMONWEALTH OF VIRGINIA



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## STATE CORPORATION COMMISSION BUREAU OF INSURANCE

I, Janay Brown, Principal Insurance Market Examiner of the Bureau of Insurance (Bureau), do hereby certify that the attached copy of the Target Market Conduct Examination Report of Healthkeepers, Inc. (Company) as of December 31, 2021, conducted at the Company's Home Office in Richmond, VA is a true copy of the original Report on file with the Bureau and also includes a true copy of the Company's response to the findings set forth therein, and of the Bureau's review letters and the State Corporation Commission's Order in Case No. INS-2024-00044 finalizing the Report.

**IN WITNESS WHEREOF**, I have  
hereunto set my hand and affixed  
the official seal of the Bureau at  
the City of Richmond, Virginia,  
this 1st day of July, 2024.

Janay Brown  
Examiner in Charge

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# TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
I. PURPOSE & SCOPE OF EXAMINATION .....	1
II. EXECUTIVE SUMMARY .....	2
III. COMPANY PROFILE .....	3
IV. STATISTICAL SUMMARY .....	4
V. PROVIDER CONTRACTS REVIEW .....	4
VI. PROVIDER CLAIMS REVIEW .....	8
VII. CLAIMS REVIEW .....	13
VIII. OTHER CONCERNS IDENTIFIED.....	20
IX. CORRECTIVE ACTION PLAN .....	23
X. ACKNOWLEDGMENT .....	28
XI. AREA VIOLATIONS SUMMARY BY REVIEW SHEET .....	29

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## I. PURPOSE & SCOPE OF EXAMINATION

The Target Market Conduct Examination of HealthKeepers, Inc. (“HealthKeepers” or “the Company”) was conducted under the authority of [§ 38.2-1317.1 of the Code of Virginia](#) (“the Code”).

The examination included a detailed review of HealthKeepers’ fully-insured individual, small group, and large group comprehensive major medical coverage for the period beginning January 1, 2021, through December 31, 2021.

A previous market conduct examination of HealthKeepers covering the period of July 1, 2015, through December 31, 2015, concluded on December 6, 2018. HealthKeepers made a monetary settlement offer which was accepted by the State Corporation Commission on April 6, 2020, in Case No. INS-2020-00046. HealthKeepers agreed to comply with the corrective action plan contained in the examination report.

Although HealthKeepers had agreed after the previous examination to change its practices to comply with the Code and regulations, the current examination revealed violations that were also noted in the previous report. Therefore, in some instances HealthKeepers knowingly violated certain sections of the Code and regulations. Section 38.2-218 of the Code sets forth the penalties that may be imposed for knowing violations.

The purpose of this examination was to determine compliance with Virginia insurance statutes and regulations and to determine that the Company’s operations were consistent with public interest. The examiners followed internal procedures that are based on the NAIC Market Regulation Handbook to perform this examination.

The examiners may not have discovered every unacceptable or non-compliant activity in which the Company is engaged. Failure to identify, comment on, or criticize specific Company practices in Virginia or in other jurisdictions does not constitute acceptance of such practices.

All instances of non-compliance identified during this examination are noted in this report. Examples referred to in this report are keyed to the numbers of the examiners' review sheets furnished to HealthKeepers during the examination. HealthKeepers was given the opportunity to respond to each finding in this report.

The report includes corrective action items and recommendations for the Company to address. The Company is required to take corrective action when restitution is owed to Virginia consumers or providers, a general business practice is established, or an issue was identified where additional controls must be put in place to ensure compliance going forward. The examiners may decide to make a recommendation instead of a corrective

action when non-compliance did not occur with such frequency as to indicate a general business practice but the Company should review its current processes, procedures, and operations to ensure compliance in the future.

## II. EXECUTIVE SUMMARY

This report contains 310 violations and 22 instances of non-compliance. Some issues of significant concern include:

**Provider Contracts:** 59 violations were noted during the Provider Contracts review for the failure to include or comply with required provisions

- Failure to produce copies of the complete provider contracts when requested
- Failure to amend its provider contracts to include the provisions required by § 38.2-3407.15 B of the Code
- Violation of the settlement order issued in Case No. INS-2020-00046 that required HealthKeepers to comply with the Corrective Action Plan from the examination report

**Provider Claims:** 160 violations were noted during the Provider Claims review for failure to comply with required provisions

- Failure to pay claims in accordance with the provider contract's fee schedule
- Failure to ensure providers' addresses are updated correctly so as not to delay payment of claims
- Failure to ensure that previously authorized health care services are paid timely
- Failure to process retroactive denials within the lesser of 12 months or the timely filing limit specified in the contract
- Failure to correctly process claims for services involving modifiers resulting in delays in claim payments and mass adjustments

**Claims:** 91 violations and 22 instances of non-compliance were noted during the Claims review, involving individual, small group and large group comprehensive major medical claims

- Claims were underpaid or incorrectly denied during the initial processing, despite all necessary information being submitted by the claimant, resulting in the failure to make a prompt, fair and equitable settlement
- Failure to provide EOBs within 21 calendar days
- Failure to process claims timely upon receipt of coordination of benefits information or additional documentation required for a clean claim
- Failure to ensure that EOBs clearly and accurately disclose the method of benefit calculation and the actual amount which has been or will be paid to the provider of services
- Failure to pay claims in accordance with the provisions of the policy

A Corrective Action Plan (CAP) that must be implemented by HealthKeepers will be established to address these issues and others discussed in the report. HealthKeepers will document completion of each CAP item to the examiners.

### III. COMPANY PROFILE

HealthKeepers, Inc. is a subsidiary jointly owned by Anthem Southeast (92.51%) and Unicare National Services, Inc. (7.49%). The Company was originally incorporated in the Commonwealth of Virginia in 1985. HealthKeepers was authorized to transact the business of accident and sickness insurance Virginia in 1986.

The table below shows the Company's premium volume and approximate market share for fully-insured business in Virginia during the year 2021 for the lines of insurance included in this examination.\*

YEAR AND LINE	PREMIUM VOLUME	MARKET SHARE
2021 Individual Accident & Health	\$972,888,356	21.57%
2021 Group Accident & Health	\$820,020,991	8.97%

\* Source: The 2021 Annual Statements on file with the National Association of Insurance Commissioners.

#### IV. STATISTICAL SUMMARY

The files selected for the review were chosen by random and stratified sampling of the populations provided by the Company. The relationship between population and sample is shown in the table below.

The details of the errors are explained in this report. General business practices may or may not be reflected by the number of errors shown in the summary.

Area	Population	Sample	Files with Errors	Error Ratio
Provider Contracts	44,446	17	11	64.71%
Provider Claims-Paid	8,677	296	59	19.93%
Provider Claims-Denied	8,918	225	39	17.33%
Claims-Paid	8,677	296	59	19.93%
Claims-Denied	8,918	225	23	10.22%

#### V. PROVIDER CONTRACTS REVIEW

The examiners reviewed each sample provider contract to determine compliance with various requirements, including but not limited to the following:

- § 38.2-510 A 15 of the Code
- § 38.2-3407.15 of the Code
- § 38.2-3407.15:2 of the Code

#### **FINDINGS: ETHICS & FAIRNESS IN CARRIER BUSINESS PRACTICES**

**Issue:** The Company failed to include required provider contract provisions.

**Finding:** The review revealed 35 violations of the subdivisions of [§ 38.2-3407.15 B of the Code](#). This was determined to be a general business practice under [§ 38.2-510 A 15 of the Code](#). The violations of these sections, with the exception of § 38.2-3407.15 B 6 of the Code, are considered knowing violations.

**Discussion:** The provision, number of violations, and review sheet examples are referred to in the following table:



Code Section	Number of Violations	Review Sheet Example
§ 38.2-3407.15 B 5	1	PC04AL-HK
§ 38.2-3407.15 B 6	1	PC04AL-HK
§ 38.2-3407.15 B 7	7	PC02BW-HK
§ 38.2-3407.15 B 8	7	PC02BW-HK
§ 38.2-3407.15 B 9	12	PC02BW-HK
§ 38.2-3407.15 B 10	7	PC02BW-HK

**Corrective Action:** HealthKeepers will amend its provider contracts to include the provisions required by § 38.2-3407.15 B of the Code and take steps to ensure any required updates are included going forward. HealthKeepers will remove existing language that weakens the protections of the required provisions and refrain from including any such language in the future.

**Please note that specific examples of violations included in the chart above are provided below for clarification.**

**Issue:** The Company included language in its contracts that does not comply with the required provisions.

**Finding:** The review revealed 6 violations each of [§§ 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, and 38.2-3407.15 B 10 of the Code.](#)

**Discussion:** The examiners identified contract language indicating that HealthKeepers knowingly reserved the right to change allowed amounts at any time, which may result in underpayment of fee schedule allowed amounts. This process involves the potential for imposing retroactive denials beyond the time period allowed by the Code, as well as changing allowed amounts without properly amending the contract and providing the required notice of amendment under the Code, resulting in violations of §§ 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, and 38.2-3407.15 B 10 of the Code. This is discussed in Review Sheet PC02BW-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that the same or similar language that is discussed in PC02BW-HK is removed from existing provider contracts and is not included in future provider contracts.

**Issue:** The Company failed to ensure that the fee schedule used to pay claims was included in or attached to the contract and that required notice was provided for any amendments.

**Finding:** The review revealed 6 violations of [§ 38.23407.15 B 9 of the Code](#). These are considered knowing violations.

**Discussion:** The provider contract included language that conflicts with the requirements of the Code. The removal of such language was specifically included as part of a corrective action item in the prior examination report. Also, some amendments were signed in 2021, over a year after the order was issued requiring compliance with corrective action items in the prior examination report. This is discussed in Review Sheet PC03BW-HK.

**Corrective Action:** HealthKeepers will remove all language regarding providers holding HealthKeepers harmless from underpayment, that is the same or similar to the language discussed in PC03BW-HK, from its provider contracts, and immediately cease including such language in provider contracts, as required by §§ 38.2-3407.15 B 1 and 38.2-3407.15 B 9 of the Code, and as indicated in the previous order from Case No. INS-2020-00046.

**FINDINGS: REQUIRED PROVISIONS IN CARRIER CONTRACTS REGARDING PRIOR AUTHORIZATION**

**Issue:** The Company failed to include required provider contract provisions.

**Finding:** The review revealed 14 violations of the subdivisions of [§ 38.2-3407.15:2 B of the Code](#).

**Discussion:** The provision, number of violations, and review sheet examples are referred to in the following table:

Code Section	Number of Violations	Review Sheet Example
§ 38.2-3407.15:2 B 1	1	PC04AL-HK
§ 38.2-3407.15:2 B 2	1	PC04AL-HK
§ 38.2-3407.15:2 B 3	1	PC04AL-HK
§ 38.2-3407.15:2 B 4	1	PC04AL-HK
§ 38.2-3407.15:2 B 5	1	PC04AL-HK
§ 38.2-3407.15:2 B 6	1	PC04AL-HK
§ 38.2-3407.15:2 B 7	1	PC04AL-HK

§ 38.2-3407.15:2 B 8	1	PC04AL-HK
§ 38.2-3407.15:2 B 9	1	PC04AL-HK
§ 38.2-3407.15:2 B 10	1	PC04AL-HK
§ 38.2-3407.15:2 B 11	1	PC04AL-HK
§ 38.2-3407.15:2 B 12	1	PC04AL-HK
§ 38.2-3407.15:2 B 13	1	PC04AL-HK
§ 38.2-3407.15:2 B 14	1	PC04AL-HK

**Corrective Action:** HealthKeepers will amend its provider contracts to include the provisions required by § 38.2-3407.15:2 B of the Code and take steps to ensure any required updates are included going forward.

**FINDINGS: REQUIRED PROVISIONS IN CARRIER CONTRACTS REGARDING HOLD HARMLESS LANGUAGE**

**Issue:** The Company failed to include required hold harmless contract provisions.

**Finding:** The review revealed 10 violations of the subdivisions of [§ 38.2-5805 C of the Code](#). These are considered knowing violations.

**Discussion:** The provision, number of violations, and review sheet examples are referred to in the following table:

Code Section	Number of Violations	Review Sheet Example
§ 38.2-5805 C 1	2	PC04AL-HK
§ 38.2-5805 C 2	1	PC01JA-HK
§ 38.2-5805 C 4	2	PC01JA-HK
§ 38.2-5805 C 5	1	PC01JA-HK
§ 38.2-5805 C 6	1	PC05AL-HK
§ 38.2-5805 C 9	2	PC05AL-HK
§ 38.2-5805 C 10	1	PC05AL-HK

**Corrective Action:** HealthKeepers will amend its provider contracts to include the hold harmless provisions required by § 38.2-5805 C of the Code and take steps to ensure any required updates are included going forward.

## VI. PROVIDER CLAIMS REVIEW

The examiners reviewed each sample provider claim processed under the sample contract to determine compliance with various requirements, including but not limited to the following:

- § 38.2-510 A 15 of the Code
- § 38.2-3407.15 of the Code
- § 38.2-3407.15:2 of the Code

### **FINDINGS: PROVIDER CLAIMS; ETHICS & FAIRNESS IN CARRIER BUSINESS PRACTICES**

**Issue:** The Company failed to pay claims in accordance with the required contract provisions.

**Finding:** The review revealed 160 violations of [§ 38.2-3407.15 B of the Code](#). This was determined to be a general business practice under [§ 38.2-510 A 15 of the Code](#).

**Discussion:** The provision, number of violations, and review sheet examples are referred to in the following table:

Code Section	Number of Violations	Review Sheet Example
§ 38.2-3407.15 B 1	65	PCCL03AS-HK
§ 38.2-3407.15 B 2	9	PCCL08AS-HK
§ 38.2-3407.15 B 3	23	PCCL08AS-HK
§ 38.2-3407.15 B 5	3	PCCL07AS-HK
§ 38.2-3407.15 B 7	28	PCCL10AS-HK
§ 38.2-3407.15 B 8	9	PCCL16JA-HK
§ 38.2-4306.1 B	23	PCCL08AS-HK

### **Corrective Actions:**

- HealthKeepers will take steps to ensure claims are processed and paid in accordance with the required provisions, as required by § 38.2-3407.15 B of the Code.
- HealthKeepers will take steps to ensure that the fee schedule used to pay claims is incorporated into the contract and that required notice is provided for any

amendments, as required by § 38.2-3407.15 B 9 and § 38.2-3407.15 B 10 of the Code.

**Please note that specific examples of violations included in the chart above are provided below for clarification.**

**Issue:** The Company failed to pay claims in accordance with the fee schedule. The Company failed to pay claims within 40 days of receipt.

**Finding:** The review revealed 65 violations of [§ 38.2-3407.15 B 1 of the Code](#). These are considered knowing violations.

**Discussion:** HealthKeepers' claims were reimbursed based on fee schedules that were not attached at the time the contract was presented to the provider for execution. This was due to HealthKeepers' practice of modifying the rates in the fee schedule without providing notice to the provider and paying claims according to the modified rates. An example is discussed in Review Sheet PCCL02JA-HK.

HealthKeepers failed to pay the correct contracted rate within 40 days of receipt of a claim due to incorrectly mapping provider information, including provider addresses, in its system. For example, a claim was received on June 26, 2020, and was later paid during a mass adjustment on May 27, 2022. The mass adjustment began on March 10, 2022 and was completed June 27, 2022. The mass adjustment impacted 248 providers under one provider organization and 1,175 claims. This example is discussed in Review Sheet PCCL07LG-HK.

HealthKeepers failed to properly pay providers within 40 days of receipt of a claim. For example, a claim was received with provider numbers that were not on file. This led to the original claim being "deleted" according to system notes. Specifically, the claim was labeled as cancelled upon receipt and remained untouched for long periods of time. From initial receipt of the claim to when the claim was settled, it took at least 200 days to process each sample claim with this issue. HealthKeepers indicated that a system issue and HealthKeepers' failure to correctly load provider information had resulted in the continued rejection of some claims. On February 2, 2021, information related to the certified registered nurse anesthetists was appropriately loaded, and the system issue was resolved. Remediation of all claims began shortly thereafter, but full remediation was not completed until October 18, 2021. This example is discussed in Review Sheet PCCL08AS-HK.

## Corrective Actions:

- HealthKeepers will take steps to ensure claims are paid in accordance with the fee schedule attached at the time it is presented to the provider for execution, as required by §§ 38.2-3407.15 B 1 and 38.2-3407.15 B 9 of the Code.
- HealthKeepers will adjust and pay the claims discussed in Review Sheets PCCL09AS-HK, PCCL05LK-HK, PCCL25LK-HK, PCCL02JA- HK, PCCL03JA-HK, PCCL24JA-HK, PCCL26JA-HK, PCCL37JA-HK, PCCL38JA-HK, and PCCL44JA-HK at the contracted rate for all services rendered along with statutory interest owed on the underpaid portion. Include with each check an explanation stating that “As a result of a Target Market Conduct Examination by the Virginia State Corporation Commission’s Bureau of Insurance, it was determined that this claim was underpaid.”
- HealthKeepers will take steps to ensure that its system is corrected to properly pay claims involving modifiers.
- HealthKeepers will take steps to ensure that provider addresses are updated correctly so as not to delay payment of claims, as required by § 38.2-3407.15 B 1 of the Code. HealthKeepers will provide the examiners with documentation showing restitution of the 1,175 claims involving 248 providers, including any interest paid, during the mass adjustment discussed in CLMEM07LG-HK.

**Issue:** The Company failed, within 30 days after receipt of a claim, to request electronically or in writing from the provider the information and documentation that the carrier reasonably believes will be required to process and pay the claim or to determine if the claim is a clean claim.

**Finding:** The review revealed 9 violations of [§ 38.2-3407.15 B 2 of the Code](#).

**Discussion:** For example, a replacement claim was received on March 8, 2021. A remit dated May 14, 2021 stated that a preapproval was needed, and a follow-up remit dated May 17, 2021 stated that medical records were needed to process and pay the claim. HealthKeepers failed to request the information and documentation required to process and pay the claim or to determine if the claim is a clean claim within 30 days after receipt. This example is discussed in PCCL22JA-HK.

**Corrective Actions:** HealthKeepers will take steps to ensure that all information and documentation needed to determine if the claim is a clean claim is requested within 30 days of receipt of the claim, as required by § 38.2-3407.15 B 2 of the Code.

**Issue:** The Company failed to pay required interest on claims.

**Finding:** The review revealed 23 violations of [§ 38.2-3407.15 B 3 of the Code](#), which are also violations of [§ 38.2-4306.1 B of the Code](#). These are considered knowing violations.

**Discussion:** HealthKeepers paid less interest than required by the statute. An example is discussed in Review Sheet PCCL04JA-HK.

**Corrective Actions:**

- HealthKeepers will review and consider for re-adjudication all paid claims that took longer than 30 calendar days from the receipt of proof of loss to the date of claim payment for the years of 2021, 2022, 2023 and the current year and make interest payments where necessary, as required by § 38.2-4306.1 B of the Code. This should include claims discussed in Review Sheets PCCL02MZ-HK, PCCL09LG- HK, PCCL19LG-HK, PCCL21LG-HK, PCCL27LG- HK, PCCL31LG- HK, PCCL08AS-HK, PCCL19LK-HK, PCCL21LK-HK, PCCL32LK- HK, PCCL04JA- HK, PCCL07JA-HK, PCCL13JA-HK, PCCL20JA- HK, PCCL21JA-HK, PCCL25JA- HK, PCCL37JA-HK, and PCCL48JA- HK.
- HealthKeepers will provide examiners with documentation showing its claims system correction on October 15, 2022, to accurately calculate interest according to the requirements of § 38.2-4306.1 B of the Code.

**Issue:** The Company failed to pay claims it had previously authorized.

**Finding:** The review revealed 3 violations of [§ 38.2-3407.15 B 5 of the Code](#). These are considered knowing violations.

**Discussion:** Although prior authorizations were obtained and prior authorization numbers were listed on the claim forms, claims were incorrectly denied. An example is discussed in Review Sheet PCCL07AS-HK.



**Corrective Action:** HealthKeepers will take steps to ensure that previously authorized health care services are paid, as required by § 38.2-3407.15 B 5 of the Code.

**Issue:** The Company failed to process retroactive denials within the required timeframe of the lesser of 12 months or the timely filing limit specified in the contract, as required by § 38.2-3407.15 B 7 of the Code

**Finding:** The review revealed 28 violations of [§ 38.2-3407.15 B 7 of the Code](#). These are considered knowing violations.

**Discussion:** For example, a sample claim was paid on April 3, 2020 and the recoupment was processed on March 25, 2022, 722 days later. The recoupment was a retroactive denial that was processed after the 90 days allowed by § 38.2-3407.15 B 7(iii) of the Code. In addition, the remit contained negative amounts and written remarks that indicated that this claim was retroactively denied, and future payments were then and/or in the future being reduced. The remark stated: "OUR RECORDS INDICATE YOUR ACCOUNT HAS BEEN OVERPAID AND THEREFORE, NO PAYMENT FROM ANTHEM BLUE CROSS AND BLUE SHIELD IS DUE AT THIS TIME. ANY FUTURE CLAIM PAYMENTS WILL BE REDUCED UNTIL THIS OVERPAYMENT IS RECOVERED." HealthKeepers failed to provide documentation to support that the claims were paid and future payments were not reduced. Further, the wording on this provider remit clearly indicating that future claim payments will be reduced is in violation of the provider contract provision required by the Code. Therefore, even if HealthKeepers failed to reduce future payments on this particular claim, the examiners would find this remark code on the provider remit to be in violation because it is informing the provider that HealthKeepers will take an action that is in violation of the Code. This example is discussed in Review Sheet PCCL11AS-HK.

As another example, a sample claim was initially paid and then payment was later retracted after the allowed time frame. In addition, the message on the retraction stated, "claim should be billed with the appropriate modifiers for these services" for procedure code 93318, even though no modifier was needed for payment. This example is discussed in Review Sheet PCCL26LG-HK.

**Corrective Action:** The examiners noted that HealthKeepers often relied on retroactive denials and requesting refunds from providers months or years after claims were originally submitted to ensure that claims were processed correctly and with correct reimbursement amounts which resulted in claims that were not promptly, fairly, and equitably settled during the exam timeframe. HealthKeepers will take steps to ensure it complies with the requirement that retroactive denials (including those performed during vendor audits) must be processed no later than the lesser of 12 months or the timely filing



limit, as required by § 38.2-3407.15 B 7 of the Code. Also, HealthKeepers will take steps to ensure that providers are not asked or allowed to give consent for retroactive denials performed after the specified timeframe in the Code. Letters requesting overpayments from providers after the specified time frame are not acceptable if language concerning reducing future payments is included.

**Issue:** The Company failed to provide written communication that contained an explanation of why the claim was being retroactively adjusted.

**Finding:** The review revealed 9 violations of [§ 38.2-3407.15 B 8 of the Code](#). These are considered knowing violations.

**Discussion:** For example, a claim was initially paid and then retroactively denied as a duplicate. While HealthKeepers notified the provider at least 30 days in advance by letter, the reason for the recovery did not match the denial reason on the notice. The recovery letter indicated that “Charges paid at incorrect reimbursement rate,” although the claim was denied as a duplicate. This example is discussed in Review Sheet PCCL18LK-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that written communications contain an explanation of why the claim is being retroactively adjusted, and that explanation will accurately reflect the action taken on a claim, as required by § 38.2-3407.15 B 8 of the Code.

## VII. CLAIMS REVIEW

The examiners reviewed each individual, small group and large group comprehensive major medical sample claim file to determine compliance with applicable statutes and regulations, as well as the terms of the policy or evidence of coverage (EOC) and the insurer’s policies and procedures. The findings are outlined below.

### **FINDINGS: MEDICAL CLAIMS**

**Issue:** The Company issued a statement that misrepresented the benefits, advantages, conditions, or terms of the policy.

**Finding:** The review revealed 4 violations of [§ 38.2-502 \(1\) of the Code](#).

**Discussion:** For example, HealthKeepers sent an EOB showing the enrollee’s total responsibility as an incorrect amount, which included balance billing amounts in addition to the enrollee’s cost-sharing. The inaccurate amount misrepresented the benefits of the policy reflected on the EOB. This example is discussed in Review Sheet CL15JA-HK.

As another example, HealthKeepers' sent an EOB with a remark code providing information about another state's laws (Massachusetts) that did not govern the insurance policy that was issued in Virginia. Further, neither the provider nor the member was located in the other state. This information is extraneous, confusing, and misrepresents the terms of the insurance policy. This example is discussed in Review Sheet CL31JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure its EOBs and other communications provide clear and accurate information, so as to prevent misrepresentations, as required by § 38.2-502 (1) of the Code.

**Issue:** The Company misrepresented pertinent facts or insurance policy provisions relating to coverages at issue.

**Finding:** The review revealed 1 instance of non-compliance with [§ 38.2-510 A 1 of the Code](#).

**Discussion:** An EOB misrepresented the pertinent policy provisions by incorrectly indicating that a copayment was applicable for a claim involving a hospital transfer. This is discussed in Review Sheet CL08LK-HK.

**Recommendation:** HealthKeepers will take steps to ensure that pertinent facts and insurance policy provisions are not misrepresented, as required by § 38.2-510 A 1 of the Code.

**Issue:** The Company failed to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies.

**Finding:** The review revealed 1 instance of non-compliance with [§ 38.2-510 A 2 of the Code](#).

**Discussion:** A claim with a November 2020 date of service was denied due to the subsidized exchange plan member being in the second month of the grace period. Complete proof of loss was received on January 29, 2021, when the member informed HealthKeepers that the premium payments were up to date and requested that the claim be reprocessed. The claim was not reprocessed until March 1, 2021. This is discussed in Review Sheet CL04MZ-HK.

**Recommendation:** HealthKeepers will take steps to ensure it acts promptly upon communications with respect to claims arising under insurance policies, as required by § 38.2-510 A 2 of the Code.

**Issue:** The Company did not attempt in good faith to make prompt, fair and equitable settlements of claims in which liability has become reasonably clear.

**Finding:** The review revealed 25 violations and 6 instances of non-compliance with [§ 38.2-510 A 6 of the Code](#). This was determined to be a general business practice for paid claims.

**Discussion:** For example, a claim was received on December 28, 2020, denied and then reopened and re-adjudicated on September 28, 2021 and September 30, 2021 without any new documentation from the provider. HealthKeepers stated that it made an executive decision to override some correctly denied claims and subsequently agreed to pay these claims with interest notwithstanding the prior correct rejections. However, in its response to PCCLMEM07LK-HK, HealthKeepers failed to provide documentation supporting that this claim was part of a mass adjustment. This example is discussed in Review Sheet CL14LK-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that it makes prompt, fair and equitable settlements of claims in which liability has become reasonably clear, as required by § 38.2-510 A 6 of the Code.

**Issue:** The Company provided an EOB which does not clearly and accurately disclose the method of benefit calculation and the actual amount which has been or will be paid to the provider of services.

**Finding:** The review revealed 10 violations of [§ 38.2-514 B of the Code](#).

**Discussion:** HealthKeepers' EOBs reflected both family and individual Out-of-Network, Out-of-Pocket amounts that did not match the amounts found in the EOC. The EOBs also did not correctly reflect the amounts paid to the provider in several instances. An example is discussed in Review Sheet CL16JA-HK.

In addition, several EOBs did not accurately notify the insured if the claim was subject to balance billing which is necessary for determining the accurate application of cost-sharing requirements. The EOB stated, "the doctor/facility might charge you for the difference" and the difference was shown under "services not covered." An example is discussed in Review Sheet CL17JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that its EOBs clearly and accurately disclose the method of benefit calculation and the actual amount which has been or will be paid to the provider of services, as required by § 38.2-514 B of the Code. This shall include clearly and accurately indicating member liability, billed amounts,

allowable amounts, deductibles, coinsurance, and copayments on its EOBs, as well as ensuring that included remarks are not potentially misleading to the member and required remarks are not omitted.

**Issue:** The Company provided an EOB that did not accurately and clearly set forth the benefits payable under the contract.

**Finding:** The review revealed 3 violations of [§ 38.2-3407.4 B of the Code](#).

**Discussion:** For example, the EOC stated that the member was responsible for a 40% coinsurance for emergency out-of-network services. The EOB remark code stated “Your plans benefits do not provide this kind of care.” Although HealthKeepers indicated the correct coinsurance amount on the EOB, the remark did not accurately and clearly set forth the benefits payable under the contract. This example is discussed in Review Sheet CL12JA-HK.

As another example, an EOB failed to disclose the in-network, out-of-pocket maximum limits and the amounts from the claim that applied to the out-of-pocket maximum. This example is discussed in Review Sheet CL18JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that every EOB provided to an insured, claimant, or subscriber accurately and clearly sets forth the benefits payable under the contract, specifically related to out-of-pocket accumulators, as required by § 38.2-3407.4 B of the Code.

**Issue:** HealthKeepers misrepresented benefits, coverages, or other provisions of the insurance policy when such benefits or coverages were pertinent to American Specialty Health (ASH) claims.

**Finding:** The review revealed 3 violations of [14 VAC 5-400-40 B](#). These violations were related to claims involving HealthKeepers’ vendor American Specialty Health (ASH). This was determined to be a general business practice.

**Discussion:** The ASH EOBs inaccurately displayed the benefit limit as \$0.00 and the coinsurance as 0.00%, but the member was responsible for coinsurance after meeting the deductible. The accumulators were also missing from the EOB. This example is discussed in Review Sheet CL30JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that its ASH EOBs accurately reflect the benefits, coverages or provisions of the insurance policy, as required by 14 VAC 5-400-40 B.

**Issue:** The Company unreasonably refused to pay claims in accordance with the provisions of the policy.

**Finding:** The review revealed 13 instances of non-compliance with [14 VAC 5-400-70 E](#).

**Discussion:** Claims for services related to a COVID-19 diagnosis were not paid in accordance with the provisions of the policy. An example is discussed in Review Sheet C09JA-HK. HealthKeepers also failed to waive copays for claims for services related to a COVID-19 diagnosis. An example is discussed in Review Sheet CL08JA-HK.

In addition, HealthKeepers incorrectly denied claims for medical records. An example is discussed in Review Sheet CL20LK-HK, where the claim was not paid until 423 days after receipt.

**Corrective Action:** HealthKeepers will take steps to ensure that it pays claims in accordance with the provisions of the policy, as required by 14 VAC 5-400-70 E. HealthKeepers will reopen and re-adjudicate, as necessary, the claims discussed in Review Sheets CL07AS-HK, CL03JA-HK, CL08JA-HK, CL09JA-HK, CL09LG-HK, CL01LK-HK, CL02LK-HK, CL03LK-HK, CL05LK-HK, CL06LK-HK, CL07LK-HK, CL09LK-HK, and CL20LK-HK to pay in accordance with the provisions of the policy and provide the examiners with documentation of any remediation.

**Issue:** The Company failed to provide to the insured an EOB describing the coverage for which the claim is paid or denied within 21 calendar days of receipt of proof of loss.

**Finding:** The review revealed 39 violations [14 VAC 5-400-100 B](#). This was determined to be a general business practice.

**Discussion:** HealthKeepers failed to provide EOBs within 21 days of receipt of proof of loss. An example is discussed in Review Sheet CL02AS-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that it provides to the insured an EOB 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, as required by 14 VAC 5-400-100 B.

**Issue:** The Company arbitrarily and unreasonably denied and delayed payment of a claim in which liability had become reasonably clear.

**Finding:** The review revealed 1 instance of non-compliance with [14 VAC 5-400-100 D](#).

**Discussion:** A claim was received on February 5, 2021 and paid on February 10, 2021. The claim was reopened and denied on October 27, 2021 requesting the Medicare EOB as HealthKeepers believed Medicare to be the primary insurer. HealthKeepers' system indicated that via an outbound call to Medicare, records were updated on July 30, 2021 to show that HealthKeepers was primary but final payment was not made until December 6, 2021. System notes also show that the provider and member followed up with HealthKeepers on multiple occasions between the receipt of the claim and the final payment of the claim, including after records had been updated. This is discussed in Review Sheet CL07AS-HK.

**Recommendation:** HealthKeepers will take steps to ensure that it does not arbitrarily or unreasonably deny or delay payment of a claim in which liability has become reasonably clear, as required by 14 VAC 5-400-100 D.

#### **FINDINGS: BALANCE BILLING**

Although the examination review involved claims from in-network providers, there were claims in the sample that were considered out-of-network by HealthKeepers. Please note that other issues involving balance billing claims were discussed in the previous section.

**Issue:** HealthKeepers failed 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.

**Finding:** The review revealed 3 violations of [§ 38.2-3445.01 B of the Code](#).

**Discussion:** For claims subject to balance billing, the allowed amounts and enrollees' obligations were incorrectly shown on the EOBs. An example is discussed in Review Sheet CL15JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that every EOB subject to balance billing accurately reflects the cost-sharing requirement, as required by § 38.2-3445.01 B of the Code.

**Issue:** HealthKeepers failed to ensure that the enrollee incurred no greater cost than the amount determined under subsection B and failed to not balance bill or otherwise attempt to collect from the enrollee any amount greater than such amount.

**Finding:** The review revealed 1 violation of [§ 38.2-3445.01 C of the Code](#).

**Discussion:** For a claim subject to balance billing, the EOB incorrectly showed the enrollee's total cost as a greater amount which included balance billing amounts in addition to the enrollee's cost-sharing. This is discussed in Review Sheet CL15JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that the enrollees incur no greater cost than the amount determined under subsection B and shall not balance bill or otherwise attempt to collect from the enrollee any amount greater than such amount, as required by § 38.2-3445.01 C of the Code.

**Issue:** HealthKeepers failed to make payments for services described in subsection A directly to the provider.

**Finding:** The review revealed 1 violation of [§ 38.2-3445.01 G of the Code](#).

**Discussion:** HealthKeepers made payment for services directly to the insured. This is discussed in Review Sheet CL15JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure it makes payments for services described in subsection A directly to the provider, as required by § 38.2-3445.01 G of the Code.

**Issue:** The Company failed 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.



**Finding:** The review revealed 1 violation [14 VAC 5-405-70 B 1](#).

**Discussion:** Although it indicated that member cost-sharing would be determined using the median-in-network contracted rate, the plan document did not explain that the member will be obligated to pay the in-network cost-sharing for services subject to balance billing protections. Although the policy language does not meet the requirements of the Code, the language was in an approved policy form and monetary penalties will not be assessed for the violation. This is discussed in CL17JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that it clearly describes out-of-network health benefits to the enrollee in plan documents, including specifying that for claims subject to balance billing protections, the member will be obligated to pay in-network cost-sharing, as required by 14 VAC 5-405-70 B 1.

**Issue:** The Company failed to provide an enrollee with an explanation of benefits that clearly indicates whether the enrollee was subject to balance billing on a claim from an out-of-network provider.

**Finding:** The review revealed 1 violation of [14 VAC 5-405-70 B 3](#).

**Discussion:** The EOB for an out-of-network claim failed to contain the proper disclosures to notify the insured if their claim is subject to balance billing. This is discussed in CL17JA-HK.

**Corrective Action:** HealthKeepers will take steps to ensure that it provides the enrollee with an explanation of benefits that clearly indicates whether the enrollee is or is not subject to balance billing if it contains claims from out-of-network providers, as required by 14 VAC 5-405-70 B 3.

## VIII. OTHER CONCERNS IDENTIFIED

The examiners observed additional issues of concern that may not have been identified as violations during the examination reviews but have the potential to result in future violations. There were also some areas of concern identified where the Company indicated that it had already taken corrective action, and the examiners recommend the Company ensure that the steps taken are complete and effective. These items are discussed below.

**Issue:** The Company failed to provide complete copies of contracts.



**Finding:** HealthKeepers did not provide the required provider contract documents during the examination review.

**Discussion:** During the examination review, HealthKeepers failed to produce copies of the complete contracts that corresponded to the signature page provided to the examiners. HealthKeepers also failed to provide copies of the actual amendments sent to providers during the examination time frame or failed to provide evidence that the contract was amended per the requirements. Therefore, the documents provided did not substantiate that the provider contracts contained all of the provisions required by the Code, and the contracts were cited for violating the provisions that were missing. Although HealthKeepers eventually provided documentation in a later response, HealthKeepers did not timely respond to the examiners' request for documentation.

**Corrective Action:** HealthKeepers will take steps to ensure that records of all provider contracts are kept and provided to the examiners when requested, to document compliance with § 38.2-3407.15 B of the Code.

**Issue:** HealthKeepers was not clearly indicated as a party to the provider contract.

**Discussion:** Each insurance carrier that is a party to the provider contract should be clearly named and the signature page should indicate that a representative of all insurance carriers that are a party to the contract have signed in acceptance of the terms. It must be clear to providers which insurance carriers they are contracting with when they sign the provider contract. Although no violations were cited, HealthKeepers was cautioned in Review Sheets PC01AL-HK, PC02AL-HK, and PC03AL-HK. In HealthKeepers' contracts, the definition of "Affiliate" stated that "Unless otherwise set forth in the Participation Attachment(s), an Affiliate may access the rates, terms and conditions of this Agreement." The language indicates that an Affiliate may access the rates, terms and conditions, but it does not indicate if the affiliates will in fact do so. In addition, the attachment that HealthKeepers refers to in its response that lists HealthKeepers as a participating HMO network is the "Facility Locations/Networks Attachment," not a "Participation Attachment."

**Recommendation:** HealthKeepers will take steps to ensure that it is clearly named on its provider contracts and that an authorized representative has signed on behalf of the Company.

**Issue:** HealthKeepers indicated in its response to PCCLMEM01MZ-HK that the Company is only required to disclose 85% of billable services in the fee schedules in its contracts,

as historically that has been the general range reasonably expected to be delivered on a routine basis.

**Discussion:** Section 38.2-3407.15 B 9 of the Code requires that the provider contract contain the fee schedule, reimbursement policy, or statement as to the manner in which claims will be calculated and paid that is applicable to the provider or to the range of health care services reasonably expected to be delivered by that type of provider on a routine basis. There is no set percentage of applicable services that need to be included in the fee schedule. Each individual service must be evaluated to determine if it is reasonably expected to be delivered by that type of provider on a routine basis.

**Recommendation:** HealthKeepers will take steps to ensure that, rather than a set percentage of services, the range of health care services reasonably expected to be delivered by that type of provider on a routine basis is included in the fee schedule attached to the contract, as required by § 38.2-3407.15 B 9 of the Code.

**Issue:** The Company failed to correctly process claims initially resulting in reprocessings and mass adjustments.

**Discussion:** The review revealed system errors for procedure codes and modifiers, as well as process deficiencies for COB macros.

**Recommendations:**

- HealthKeepers will take steps to ensure that the system error related to procedure code 93318 has been fixed to process appropriately, including correctly denying when billed without a modifier and to not require modifier 26, as of the system correction date of March 27, 2023, as discussed in PCMEM02JB-HK-AN.
- HealthKeepers will take steps to ensure that radiology claims are no longer denied or retroactively denied in error due to the system incorrectly requiring modifier 26, as discussed in PCMEM02JB-HK-AN.
- HealthKeepers will take steps to ensure that claims billed with procedure code 99140 are no longer incorrectly denied due to requiring a modifier.
- HealthKeepers will take steps to strengthen the COB macros in its system to promptly verify if a member has other coverage sooner than months after the receipt of proof of loss, which previously resulted in retroactive denials after 90 days.

- HealthKeepers will take steps to ensure that the system issue, related to mass adjustments MR-10480, MR-15255, MR-15344, and MR-15374 that are discussed in CLMEM11LG-HK and that impacted Virginia providers and led to the reprocessing of more than 4000 claims, has been remediated to avoid future claims processing delays.

## IX. CORRECTIVE ACTION PLAN

Based on the findings stated in this report, HealthKeepers is required to implement the following Corrective Actions:

1. HealthKeepers will amend its provider contracts to include the provisions required by § 38.2-3407.15 B of the Code and take steps to ensure any required updates are included going forward. HealthKeepers will remove existing language that weakens the protections of the required provisions and refrain from including any such language in the future;
2. HealthKeepers will take steps to ensure that the same or similar language that is discussed in PC02BW-HK is removed from existing provider contracts and is not included in future provider contracts;
3. HealthKeepers will remove all language regarding providers holding HealthKeepers harmless from underpayment, that is the same or similar to the language discussed in PC03BW-HK, from its provider contracts, and immediately cease including such language in provider contracts, as required by §§ 38.2-3407.15 B 1 and 38.2-3407.15 B 9 of the Code, and as indicated in the previous Order from Case No. INS-2020-00046;
4. HealthKeepers will amend its provider contracts to include the provisions required by § 38.2-3407.15:2 B of the Code and take steps to ensure any required updates are included going forward;
5. HealthKeepers will amend its provider contracts to include the hold harmless provisions required by § 38.2-5805 C of the Code and take steps to ensure any required updates are included going forward;
6. HealthKeepers will take steps to ensure claims are processed and paid in accordance with the required provisions, as required by § 38.2-3407.15 B of the Code;
7. HealthKeepers will take steps to ensure that the fee schedule used to pay claims is incorporated into the contract and that required notice is provided for any amendments, as required by §§ 38.2-3407.15 B 9 and 38.2-3407.15 B 10 of the Code;

8. HealthKeepers will take steps to ensure claims are paid in accordance with the fee schedule attached at the time it is presented to the provider for execution, as required by §§ 38.2-3407.15 B 1 and 38.2-3407.15 B 9 of the Code;
9. HealthKeepers will adjust and pay the claims discussed in Review Sheets PCCL09AS-HK, PCCL05LK-HK, PCCL25LK-HK, PCCL02JA- HK, PCCL03JA-HK, PCCL24JA-HK, PCCL26JA-HK, PCCL37JA-HK, PCCL38JA-HK, and PCCL44JA-HK at the contracted rate for all services rendered along with statutory interest owed on the underpaid portion. Include with each check, an explanation stating that “As a result of a Target Market Conduct Examination by the Virginia State Corporation Commission’s Bureau of Insurance, it was determined that this claim was underpaid.”;
10. HealthKeepers will take steps to ensure that its system is corrected to properly pay claims involving modifiers;
11. HealthKeepers will take steps to ensure that provider addresses are updated correctly so as not to delay payment of claims, as required by § 38.2-3407.15 B 1 of the Code. HealthKeepers will provide the examiners with documentation showing restitution of the 1,175 claims involving 248 providers, including any interest paid, during the mass adjustment discussed in CLMEM07LG-HK;
12. HealthKeepers will take steps to ensure that all information and documentation needed to determine if the claim is a clean claim is requested within 30 days of receipt of the claim, as required by § 38.2-3407.15 B 2 of the Code;
13. HealthKeepers will review and consider for re-adjudication all paid claims that took longer than 30 calendar days from the receipt of proof of loss to the date of claim payment for the years of 2021, 2022, 2023 and the current year and make interest payments where necessary, as required by § 38.2-4306.1 B of the Code. This should include claims discussed in Review Sheets PCCL02MZ-HK, PCCL09LG-HK, PCCL19LG-HK, PCCL21LG-HK, PCCL27LG- HK, PCCL31LG-HK, PCCL08AS-HK, PCCL19LK-HK, PCCL21LK-HK, PCCL32LK-HK, PCCL04JA-HK, PCCL07JA-HK, PCCL13JA-HK, PCCL20JA-HK, PCCL21JA-HK, PCCL25JA-HK, PCCL37JA-HK, and PCCL48JA- HK;
14. HealthKeepers will provide the examiners with documentation showing its claims system correction on October 15, 2022, to accurately calculate interest according to the requirements of § 38.2-4306.1 B of the Code;
15. HealthKeepers will take steps to ensure that previously authorized health care services are paid, as required by § 38.2-3407.15 B 5 of the Code;

16. The examiners noted that HealthKeepers often relied on retroactive denials and requesting refunds from providers months or years after claims were originally submitted to ensure that claims were processed correctly and with correct reimbursement amounts which resulted in claims that were not promptly, fairly, and equitably settled during the exam timeframe. HealthKeepers will take steps to ensure it complies with the requirement that retroactive denials (including those performed during vendor audits) must be processed no later than the lesser of 12 months or the timely filing limit, as required by § 38.2-3407.15 B 7 of the Code. Also, HealthKeepers will take steps to ensure that providers are not asked or allowed to give consent for retroactive denials performed after the specified timeframe in the Code. Letters requesting overpayments from providers after the specified time frame are not acceptable if language concerning reducing future payments is included;
17. HealthKeepers will take steps to ensure that written communications contain an explanation of why the claim is being retroactively adjusted, and that explanation will accurately reflect the action taken on a claim, as required by § 38.2-3407.15 B 8 of the Code;
18. HealthKeepers will take steps to ensure its EOBs and other communications provide clear and accurate information, so as to prevent misrepresentations, as required by § 38.2-502 (1) of the Code;
19. HealthKeepers will take steps to ensure that it makes prompt, fair and equitable settlements of claims in which liability has become reasonably clear, as required by § 38.2-510 A 6 of the Code;
20. HealthKeepers will take steps to ensure that its EOBs clearly and accurately disclose the method of benefit calculation and the actual amount which has been or will be paid to the provider of services, as required by § 38.2-514 B of the Code. This shall include clearly and accurately indicating member liability, billed amounts, allowable amounts, deductibles, coinsurance, and copayments on its EOBs, as well as ensuring that included remarks are not potentially misleading to the member and required remarks are not omitted;
21. HealthKeepers will take steps to ensure that every EOB provided to an insured, claimant, or subscriber accurately and clearly sets forth the benefits payable under the contract, specifically related to out-of-pocket accumulators, as required by § 38.2-3407.4 B of the Code;

22. HealthKeepers will take steps to ensure that its ASH EOBs accurately reflect the benefits, coverages or provisions of the insurance policy, as required by 14 VAC 5-400-40 B;
23. HealthKeepers will take steps to ensure that it pays claims in accordance with the provisions of the policy, as required by 14 VAC 5-400-70 E. HealthKeepers will reopen and re-adjudicate, as necessary, the claims discussed in Review Sheets CL07AS-HK, CL03JA-HK, CL08JA-HK, CL09JA-HK, CL09LG-HK, CL01LK-HK, CL02LK-HK, CL03LK-HK, CL05LK-HK, CL06LK-HK, CL07LK-HK, CL09LK-HK, and CL20LK-HK to pay in accordance with the provisions of the policy and provide the examiners with documentation of any remediation;
24. HealthKeepers will take steps to ensure that it provides to the insured an EOB 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, as required by 14 VAC 5-400-100 B;
25. HealthKeepers will take steps to ensure that every EOB subject to balance billing accurately reflects the cost-sharing requirement, as required by § 38.2-3445.01 B of the Code;
26. HealthKeepers will take steps to ensure that the enrollees incur no greater cost than the amount determined under subsection B and shall not balance bill or otherwise attempt to collect from the enrollee any amount greater than such amount, as required by § 38.2-3445.01 C of the Code;
27. HealthKeepers will take steps to ensure it makes payments for services described in subsection A directly to the provider, as required by § 38.2-3445.01 G of the Code;
28. HealthKeepers will take steps to ensure that it clearly describes out-of-network health benefits to the enrollee in plan documents, including specifying that for claims subject to balance billing protections, the member will be obligated to pay in-network cost-sharing, as required by 14 VAC 5-405-70 B 1;
29. HealthKeepers will take steps to ensure that it provides the enrollee with an explanation of benefits that clearly indicates whether the enrollee is or is not subject to balance billing if it contains claims from out-of-network providers, as required by 14 VAC 5-405-70 B 3; and

30. HealthKeepers will take steps to ensure that records of all provider contracts are kept and provided to the examiners when requested, to document compliance with § 38.2-3407.15 B of the Code.

HealthKeepers shall provide a detailed outline of the steps that it will take to comply with each corrective action item listed above and propose a timeline for completion.

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## X. ACKNOWLEDGMENT

The courteous cooperation extended to the examiners by HealthKeepers' officers and employees during the course of this examination is gratefully acknowledged.

Janay Brown, MCM; Julie Atkins, MCM, AIRC, ALMI, AIE; Larry Gibson, MCM, PIR; Laura Klanian, AMCM, HIA, PHIAS; Adam Leathers, APIR, MCM; Amelia Steadman, MCM, PIR; Bryan Wachter, CIE, FLMI, AIRC, MCM; and Maria Zavala of the Bureau of Insurance participated in the work of the examination and writing of the report.

Respectfully submitted,



Bryan Wachter, CIE, FLMI, AIRC, MCM  
BOI Manager, Health Market Conduct Section  
Life and Health Market Regulation Division  
Bureau of Insurance

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## XI. AREA VIOLATIONS SUMMARY BY REVIEW SHEET

PROVIDER CONTRACTS
<i>Ethics &amp; Fairness in Carrier Business Practices</i>
§ 38.2-3407.15 B 5, 1 violation, PC04AL-HK
§ 38.2-3407.15 B 6, 1 violation, PC04AL-HK
§ 38.2-3407.15 B 7, 7 violations, PC02BW-HK (6), PC02BW-HK-AN
§ 38.2-3407.15 B 8, 7 violations, PC02BW-HK (6), PC02BW-HK-AN
§ 38.2-3407.15 B 9, 12 violations, PC02BW-HK (6), PC03BW-HK (6)
§ 38.2-3407.15 B 10, 7 violations, PC01BW-HK-AN, PC02BW-HK (6)
<i>Required Provisions in Carrier Contracts Regarding Prior Authorization</i>
§ 38.2-3407.15:2 B 1, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 2, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 3, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 4, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 5, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 6, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 7, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 8, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 9, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 10, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 11, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 12, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 13, 1 violation, PC04AL-HK
§ 38.2-3407.15:2 B 14, 1 violation, PC04AL-HK
<i>Required Provisions in Carrier Contracts Regarding Hold Harmless Language</i>
§ 38.2-5805 C 1, 2 violations, PC04AL-HK, PC01JA-HK

§ 38.2-5805 C 2, 1 violation, PC01JA-HK
§ 38.2-5805 C 4, 2 violations, PC05AL-HK, PC01JA-HK
§ 38.2-5805 C 5, 1 violation, PC01JA-HK
§ 38.2-5805 C 6, 1 violation, PC05AL-HK
§ 38.2-5805 C 9, 2 violations, PC05AL-HK, PC01JA-HK
§ 38.2-5805 C 10, 1 violation, PC05AL-HK
<b>PROVIDER CLAIMS</b>
§ 38.2-3407.15 B 1, 65 violations, PCCL03AS-HK, PCCL04AS-HK, PCCL05AS-HK, PCCL06AS-HK, PCCL08AS-HK (6), PCCL09AS-HK, PCCL14AS-HK, PCCL02JA- HK (4), PCCL03JA-HK (14), PCCL04JA-HK, PCCL07JA-HK, PCCL15JA- HK, PCCL23JA-HK, PCCL24JA-HK, PCCL25JA-HK, PCCL26JA-HK, PCCL27JA-HK, PCCL35JA-HK (3), PCCL37JA-HK, PCCL38JA-HK, PCCL44JA-HK, PCCL48JA-HK, PCCL06LG-HK, PCCL07LG-HK, PCCL08LG-HK, PCCL09LG-HK, PCCL10LG-HK, PCCL14LG-HK, PCCL25LG-HK, PCCL31LG-HK, ,PCCL03LK-HK, PCCL04LK-HK, PCCL05LK-HK, PCCL06LK-HK, PCCL09LK-HK, PCCL12LK-HK, PCCL13LK-HK, PCCL18LK-HK, PCCL25LK-HK, PCCL31LK-HK, PCCL32LK-HK, PCCL02MZ-HK
§ 38.2-3407.15 B 2, 9 violations, PCCL08AS-HK (6), PCCL21JA-HK, PCCL22JA-HK, PCCL28LG-HK
§ 38.2-3407.15 B 3, 23 violations, PCCL08AS-HK (6), PCCL04JA-HK, PCCL07JA- HK, PCCL13JA-HK, PCCL20JA-HK, PCCL21JA-HK, PCCL25JA-HK, PCCL37JA-HK, PCCL48JA-HK, PCCL09LG-HK, PCCL19LG-HK, PCCL21LG-HK, PCCL27LG-HK, PCCL31LG-HK, PCCL19LK-HK, PCCL21LK-HK, PCCL32LK-HK, PCCL02MZ-HK
§ 38.2-3407.15 B 5, 3 violations, PCCL07AS-HK, PCCL16LK-HK, PCCL02MZ-HK
§ 38.2-3407.15 B 7, 28 violations, PCCL10AS-HK, PCCL11AS-HK, PCCL12AS-HK, PCCL15AS-HK, PCCL16JA-HK, PCCL17JA-HK (6), PCCL18JA-HK, PCCL21JA-HK, PCCL33JA-HK, PCCL39JA-HK, PCCL40JA-HK, PCCL41JA-HK, PCCL43JA-HK, PCCL44JA-HK, PCCL02LG-HK, PCCL03LG-HK, PCCL04LG-HK, PCCL05LG-HK, PCCL24LG-HK, PCCL25LG-HK, PCCL26LG-HK, PCCL28LG-HK, PCCL04LK-HK
§ 38.2-3407.15 B 8, 9 violations, PCCL16JA-HK, PCCL18JA-HK, PCCL21JA-HK, PCCL33JA-HK, PCCL44JA-HK, PCCL02LG-HK, PCCL04LG-HK, PCCL28LG-HK, PCCL18LK-HK

<p><b>§ 38.2-4306.1 B, 23 violations,</b> PCCL08AS-HK (6), PCCL04JA-HK, PCCL07JA-HK, PCCL13JA-HK, PCCL20JA-HK, PCCL21JA-HK, PCCL25JA-HK, PCCL37JA-HK, PCCL48JA-HK, PCCL09LG-HK, PCCL19LG-HK, PCCL21LG-HK, PCCL27LG-HK, PCCL31LG-HK, PCCL19LK-HK, PCCL21LK-HK, PCCL32LK-HK, PCCL02MZ-HK</p>
<p><b>CLAIM PRACTICES</b></p>
<p><b>§ 38.2-3407.4 B, 3 violations,</b> CL12JA-HK, CL13JA-HK, CL18JA-HK</p>
<p><b>§ 38.2-3445.01 B, 3 violations,</b> CL15JA-HK, CL17JA-HK, CL23JA-HK</p>
<p><b>§ 38.2-3445.01 C, 1 violation,</b> CL15JA-HK</p>
<p><b>§ 38.2-3445.01 G, 1 violation,</b> CL15JA-HK</p>
<p><b>§ 38.2-502 (1), 4 violations,</b> CL15JA-HK, CL31JA-HK (3)</p>
<p><b>§ 38.2-510 A 1, 1 instance of non-compliance,</b> CL08LK-HK</p>
<p><b>§ 38.2-510 A 2, 1 instance of non-compliance,</b> CL04MZ-HK</p>
<p><b>§ 38.2-510 A 6, 25 violations and 6 instances of non-compliance,</b> CL01AS-HK, CL03AS-HK, CL28JA-HK, CL07LG-HK, CL08LG-HK, CL11LG-HK, CL12LG-HK, CL06LK-HK, CL07LK-HK, CL08LK-HK, CL09LK-HK, CL12LK-HK, CL14LK-HK, CL16LK-HK, CL17LK-HK, CL01MZ-HK, PCCL07AS-HK, PCCL13AS-HK, PCCL05JA-HK, PCCL08JA-HK, PCCL11JA-HK, PCCL20JA-HK, PCCL21JA-HK, PCCL19LG-HK, PCCL20LG-HK, PCCL21LG-HK, PCCL27LG-HK, PCCL01LK-HK, PCCL16LK-HK, PCCL19LK-HK, PCCL21LK-HK</p>
<p><b>§ 38.2-514 B, 10 violations,</b> CL01AS-HK, CL16JA-HK, CL17JA-HK, CL26JA-HK (4), CL03LG-HK, CL07LG-HK, CL01MZ-HK</p>
<p><b>14 VAC 5-400-40 B, 3 violations,</b> CL30JA-HK (3)</p>
<p><b>14 VAC 5-400-70 E, 13 instances of non-compliance,</b> CL07AS-HK, CL03JA-HK, CL08JA-HK, CL09JA-HK, CL09LG-HK, CL01LK-HK, CL02LK-HK, CL03LK-HK, CL05LK-HK, CL06LK-HK, CL07LK-HK, CL09LK-HK, CL20LK-HK</p>
<p><b>14 VAC 5-400-100 B, 39 violations,</b> CL02AS-HK, CL04AS-HK, CL05AS-HK, CL06AS-HK, CL07AS-HK, CL10AS-HK, CL11AS-HK (4), CL13AS-HK (3), CL02JA-HK, CL04JA-HK, CL06JA-HK, CL07JA-HK, CL10JA-HK, CL11JA-HK, CL17JA-HK, CL22JA-HK, CL01LK-HK, CL02LK-HK, CL03LK-HK, CL05LK-HK, CL06LK-HK, CL07LK-HK, CL08LK-HK, CL11LK-HK, CL12LK-HK, CL13LK-HK, CL16LK-HK, CL17LK-HK, CL18LK-HK, CL19LK-HK, CL20LK-HK, CL21LK-HK, CL22LK-HK, CL04MZ-HK-HK</p>
<p><b>14 VAC 5-400-100 D, 1 instance of non-compliance,</b> CL07AS-HK</p>
<p><b>14 VAC 5-405-70 B 1, 1 violation,</b> CL17JA-HK</p>
<p><b>14 VAC 5-405-70 B 3, 1 violation,</b> CL17JA-HK</p>

**REPORT ON**  
**TARGET MARKET CONDUCT EXAMINATION**  
**OF**  
**HEALTHKEEPERS, INC.**  
**AS OF DECEMBER 31, 2021**

Conducted from  
June 7, 2022  
Through  
August 18, 2023

By

**Health Market Conduct Section**  
**Life and Health Market Regulation**  
**Division**  
**BUREAU OF INSURANCE**  
**STATE CORPORATION COMMISSION**  
**COMMONWEALTH OF VIRGINIA**

FEIN: 54-1356687  
NAIC: 95169

# COMMONWEALTH OF VIRGINIA



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November 3, 2023

## SENT VIA ELECTRONIC MAIL

Kimberly Stevens  
Compliance Director (VA)  
HealthKeepers, Inc.

RE: Market Conduct Examination Report  
**Exposure Draft**

Dear Ms. Stevens:

Recently, the Bureau of Insurance conducted a Market Conduct Examination of HealthKeepers, Inc. ("HealthKeepers") for the period of January 1, 2021, through December 31, 2021. A preliminary draft of the Report is enclosed for your review.

Since it appears from a reading of the Report that there have been violations of Virginia Insurance Laws and Regulations on the part of HealthKeepers, I would urge you to read the enclosed draft and furnish me with your written response within 30 days of the date of this letter. Please specify in your response those items with which you disagree, giving your specific reasons for disagreement and attach supporting documentation. Please do not include any personally identifiable information in the response.

For the corrective action items with which you agree, provide an outline of your intended method of compliance with each and a proposed timeline for completion in the response. If restitution payments are required to be made to insureds or providers, a spreadsheet will be provided to document those payments with all required details.

Please note that HealthKeepers' response(s) to the draft Report will be attached to and become part of the final Report.

Once we have received and reviewed your response, we will respond noting any justified revisions to the Report and any areas where we maintained our position. At that time, we will request a detailed outline of HealthKeepers intended method of compliance with all corrective action items in the report and a timeline for completion.

Thank you for your prompt attention to this matter.

Yours truly,

A handwritten signature in blue ink, appearing to read "Bryan Wachter", written over a dashed horizontal line.

Bryan Wachter  
BOI Manager  
Health Market Conduct Section  
Life and Health Division  
Bureau of Insurance  
(804) 371-9745

BDW:mhh  
Enclosure

cc: Julie Blauvelt

COPY

**Anthem**    
**HealthKeepers**

Offered by HealthKeepers, Inc.  
2015 Staples Mill Road  
Richmond, VA 23230

VIA EMAIL TO: Bryan.Wachter@scc.virginia.gov  
Julie.Blauvelt@scc.virginia.gov  
Janay.Brown@scc.virginia.gov

December 8, 2023

Mr. Bryan Wachter  
BOI Manager  
Health Market Conduct Section  
Life and Health Division  
Bureau of Insurance  
1300 East Main Street  
Richmond, VA 23219

Re: Market Conduct Examination Report, Exposure Draft

Dear Mr. Wachter,

Enclosed you will find HealthKeepers, Inc.'s response to the 2021 Market Conduct Examination Draft Report. Each corrective action has been addressed. HealthKeepers will provide reference materials and supporting documentation as needed.

Please do not hesitate to contact me with any questions.

Sincerely,



Kimberly Stevens  
Compliance Director  
M: (804) 357-6393  
[Kimberly.stevens@anthem.com](mailto:Kimberly.stevens@anthem.com)

Enclosures

cc: Julie Blauvelt, Deputy Commissioner  
Janay Brown, Senior Insurance Market Examiner



**Target Market Conduct Examination  
Response to Recommendations  
HealthKeepers, Inc.**

Below, please find our responses to each of the corrective actions in the draft report for HealthKeepers, Inc.

1. HealthKeepers will amend its provider contracts to include the provisions required by § 38.2-3407.15 B of the Code and take steps to ensure any required updates are included going forward. HealthKeepers will remove existing language that weakens the protections of the required provisions and refrain from including any such language in the future;

**Company Response:**

HealthKeepers disagrees with the allegation that, as a general business practice, it fails to include the provisions required by § 38.2-3407.15 B in its provider contracts. Further, HealthKeepers continues to disagree with the alleged violations documented in Review Sheets PC06AL-HK and PC02JA-HK.

HealthKeepers has a process in place to ensure that all provisions required by § 38.2-3407.15 B are included in its provider contracts and has validated that these provisions are included in standard contract templates used today. HealthKeepers regrets that during the exam there was some confusion amongst newer associates on how to gather all documentation needed for the sampled providers and acknowledges that training opportunities exist (see corrective action # 2 for more details).

HealthKeepers agrees with the examiner's observations for Review Sheet PC04AL-HK, which were isolated to our intermediary American Specialty Health (ASH). As noted by the examiner in the referenced Review Sheet, ASH failed "to add provisions §§ 38.23407.15 B 5 C, 38.2-3407.15 B 6, and to renumber the subdivisions that followed" to align with the amendment of § 38.2-3407.15 B in 2019. HealthKeepers will ensure any provider contracts executed by ASH are amended to include the provisions required by § 38.2-3407.15 B of the Code and take steps to strengthen its oversight of ASH to ensure any required updates are made going forward. While HealthKeepers acknowledges that ASH failed to add provisions §§ 38.23407.15 B 5 C, 38.2-3407.15 B 6, HealthKeepers disagrees with all other alleged violations of § 38.2-3407.15 B. Although misnumbered, all other required subdivisions were included in the sampled provider contract.

Finally, HealthKeepers will remove language from its provider contracts to address the examiner's concerns regarding weakening protections (please see the response to corrective action #4 for more details).

2. HealthKeepers will take steps to ensure that all of its provider contracts are in writing and that records of all contracts are kept and provided to the examiners when requested, to document compliance with § 38.2-3407.15 B of the Code;

**Company Response:**

HealthKeepers provider contracts are completed in writing and maintained in a secure location. HealthKeepers acknowledges that training opportunities for its associates exist to more efficiently and thoroughly compile requested contract components. HealthKeepers is in the process of creating a written process to ensure more uniformity in these efforts.

3. HealthKeepers will take steps to ensure that the same or similar language that is discussed in PC02BW-HK is removed from existing provider contracts and is not included in future provider contracts;

**Company Response:**

While HealthKeepers disagrees that its current contract language is in violation of statutory requirements, it will take steps to ensure that the same or similar language that is discussed in PC02BW-HK is revised going forward and in existing provider contracts upon renewal.

4. HealthKeepers will remove all language regarding providers holding HealthKeepers harmless from underpayment, that is the same or similar to the language discussed in PC03BW-HK, from its provider contracts, and immediately cease including such language in provider contracts, as required by §§ 38.2-3407.15 B 1 and 38.2-3407.15 B 9 of the Code, and as indicated in the previous Order from Case No. INS-2020-00046;

**Company Response:**

HealthKeepers acknowledges that, due to human error, two of the six provider contracts listed in Review Sheet PC03BW-HK inadvertently included language regarding providers holding HealthKeepers harmless from underpayment. However, HealthKeepers disagrees with four of the violations. As agreed to in the related corrective action plan required in the previous Order (Case No. INS-2020-00046), which was finalized in April 2021, HealthKeepers took steps to include the updated/approved language for new providers, and upon renewal, for existing providers. Four of the sampled contracts were not renewed during 2021. It is also important to note that HealthKeepers has not enforced this language since June 2020.

5. HealthKeepers will amend its provider contracts to include the provisions required by § 38.2-3407.15:2 B of the Code and take steps to ensure any required updates are included going forward;

**Company Response:**

HealthKeepers does include all provisions required by § 38.2-3407.15:2 B in its provider contracts and continues to disagree with the alleged violations documented in Review Sheets PC06AL-HK and PC02JA-HK.

HealthKeepers regrets that during the exam there was some confusion amongst newer associates on how to gather the documentation needed for the sampled providers and acknowledges that training opportunities exist (see corrective action # 2 for more details). As outlined in corrective action #1, HealthKeepers is in the process of creating a written process to ensure more uniformity in these efforts.

The alleged violations documented in Review Sheet PC04AL-HK were isolated to our intermediary, American Specialty Health (ASH). HealthKeepers will ensure any provider contracts executed by ASH are amended to include the provisions required by § 38.2-3407.15:2 B of the Code and take steps to strengthen its oversight of ASH to ensure any required updates are made going forward.

6. HealthKeepers will amend its provider contracts to include the hold harmless provisions required by § 38.2-5805 C of the Code and take steps to ensure any required updates are included going forward;

**Company Response:**

HealthKeepers does include the hold harmless provisions required by § 38.2-5805 C in its standard provider contracts but acknowledges that these provisions were incomplete in the provider contract associated with Review Sheet PC01JA-HK due to an isolated incident of human error. HealthKeepers will promptly amend this contract.

HealthKeepers agrees with the examiner's observations for Review Sheets PC04AL-HK and PC05AL-HK, which were isolated to our intermediary American Specialty Health (ASH) and will take steps to strengthen

its oversight of ASH to ensure any required updates are made going forward.

7. HealthKeepers will take steps to ensure claims are processed and paid in accordance with the required provisions, as required by § 38.2-3407.15 B of the Code;

**Company Response:**

HealthKeepers does take steps to ensure claims are processed and paid in accordance with the provisions required by § 38.2-3407.15 B and continuously looks at way to further enhance its procedures.

8. HealthKeepers will take steps to ensure that the fee schedule used to pay claims is incorporated into the contract and that required notice is provided for any amendments, as required by §§ 38.2-3407.15 B 9 and 38.2-3407.15 B 10 of the Code;

**Company Response:**

HealthKeepers acknowledges that specific low utilized CPT codes were not disclosed in the professional provider fee schedule exhibits during the exam period. However, effective March 1, 2023, HealthKeepers included the full fee schedule used to pay claims in all its provider contracts as required by § 38.2-3407.15 B 9. HealthKeepers is compliant with the notification requirements for amendments as required by 38.2-3407.15 B 10. We do not modify fee schedules without appropriate amendment notification. Amendment notification is given at minimum 65 days in advance, but typically 105 days in advance. Amendment notifications are made by U.S. mail and electronic notification.

Also, regarding Review Sheet PC01BW-HK-AN, the examiner's concerns related § 38.2-3407 B 10 were specific to language a particular health system requires in its facility contracts. HealthKeepers will approach the health system to request permission to revise the language.

9. HealthKeepers will take steps to ensure claims are paid in accordance with the fee schedule attached at the time it is presented to the provider for execution, as required by §§ 38.2-3407.15 B 1 and 38.2-3407.15 B 9 of the Code;

**Company Response:**

HealthKeepers will take steps to strengthen its procedures to ensure claims are paid in accordance with the fee schedule, as required by §§ 38.2-3407.15 B 1 and 38.2-3407.15 B 9 of the Code.

10. HealthKeepers will adjust and pay the claims discussed in Review Sheets PCCL09AS-HK, PCCL05LK-HK, PCCL25LK-HK, PCCL02JA- HK, PCCL03JA-HK, PCCL24JA-HK, PCCL26JA-HK, PCCL37JA-HK, PCCL38JA-HK, and PCCL44JA-HK at the contracted rate for all services rendered along with statutory interest owed on the underpaid portion. Include with each check, an explanation stating that "As a result of a Target Market Conduct Examination by the Virginia State Corporation Commission's Bureau of Insurance, it was determined that this claim was underpaid.";

**Company Response:**

HealthKeepers will review the claims discussed in the listed Review Sheets, make adjustments, and apply interest as required to correct any underpayments identified.

11. HealthKeepers will take steps to ensure that its system is corrected to properly pay claims involving modifiers;

**Company Response:**

HealthKeepers regularly processes claims involving modifiers and takes steps to ensure that its claims system and associates do so properly. HealthKeepers follows the policies published by The Centers for Medicare & Medicaid Services (CMS). Oversight is part of our standard process to identify any reimbursement or policy discrepancies. When a system or human error is identified, HealthKeepers

resolves it as quickly as possible and takes steps to address the root cause to prevent future issues.

12. HealthKeepers will take steps to ensure that provider addresses are updated correctly so as not to delay payment of claims, as required by § 38.2-3407.15 B 1 of the Code. HealthKeepers will provide the examiners with documentation showing restitution of the 1,175 claims involving 248 providers, including any interest paid, during the mass adjustment discussed in CLMEM07LG-HK;

**Company Response:**

HealthKeepers continuously identifies and implements enhancements to its processes and procedures, including demographic updates, to ensure claims are processed and paid in accordance with 38.2-3407.15 B 1. HealthKeepers will provide the examiners with documentation showing resolution of the 1,175 claims involving 248 providers, including any interest paid, during the mass adjustment discussed in CLMEM07LG-HK.

13. HealthKeepers will take steps to ensure that all information and documentation needed to determine if the claim is a clean claim is requested within 30 days of receipt of the claim, as required by § 38.2-3407.15 B 2 of the Code;

**Company Response:**

HealthKeepers has enhanced its processes and procedures for faster identification of missing information and documentation needed to make a claim clean, as well as requesting that information and documentation within 30 days. Additional improvements will continue to be made on an ongoing basis to maximize efficiency.

14. HealthKeepers will review and consider for re-adjudication all paid claims that took longer than 30 calendar days from the receipt of proof of loss to the date of claim payment for the years of 2021, 2022 and the current year and make interest payments where necessary, as required by § 38.2-4306.1 B of the Code. This should include claims discussed in Review Sheets PCCL02MZ-HK, PCCL09LG-HK, PCCL19LG-HK, PCCL21LG-HK, PCCL27LG- HK, PCCL31LG-HK, PCCL08AS-HK, PCCL19LK-HK, PCCL21LK-HK, PCCL32LK-HK, PCCL04JA-HK, PCCL07JA-HK, PCCL13JA-HK, PCCL20JA-HK, PCCL21JA-HK, PCCL25JA-HK, PCCL37JA-HK, and PCCL48JA- HK;

**Company Response:**

HealthKeepers will review all paid claims that took longer than 30 calendar days from the receipt of proof of loss to the date of claim payment for the years of 2021, 2022 and the current year, including the claims discussed in the listed Review Sheets. HealthKeepers will consider these claims for re-adjudication and apply required interest where necessary to ensure compliance.

15. HealthKeepers will provide the examiners with documentation showing its claims system correction on October 15, 2022, to accurately calculate interest according to the requirements of § 38.2-4306.1 B of the Code;

**Company Response:**

The claim system correction made in October 2022 was to correct the *overpayment* of interest. Paying interest in excess of what is required is not a violation of the Code. Aside from limited episodes of human error, HealthKeepers is compliant with 38.2-4306.1 B of the Code.

16. HealthKeepers will take steps to ensure that previously authorized health care services are paid, as required by § 38.2-3407.15 B 5 of the Code;

**Company Response:**

HealthKeepers takes steps to ensure that previously authorized health care services are paid, as required by § 38.2-3407.15 B 5 of the Code. The three violations identified by the examiners were associated with

isolated incidents of human error and retraining has occurred as needed.

17. The examiners noted that HealthKeepers often relied on retroactive denials and requesting refunds from providers months or years after claims were originally submitted to ensure that claims were processed correctly and with correct reimbursement amounts which resulted in claims that were not promptly, fairly, and equitably settled during the exam timeframe. HealthKeepers will take steps to ensure it complies with the requirement that retroactive denials (including those performed during vendor audits) must be processed no later than 12 months or the lesser of the timely filing limit, as required by § 38.2-3407.15 B 7 of the Code. Also, HealthKeepers will take steps to ensure that providers are not asked or allowed to give consent for retroactive denials performed after the specified timeframe in the Code. Letters requesting overpayments from providers after the specified time frame are not acceptable if language concerning reducing future payments is included;

**Company Response:**

While some valid violations were found during the exam, HealthKeepers disagrees with the allegation that it often relied on retroactive denials and requesting refunds from providers months or years after claims were originally submitted.

Further, HealthKeepers continues to disagree with the allegation that implied intent to reduce future payments to providers in its remits without an actual overpayment recovery equates to a violation of the § 38.2-3407.15 B 7. An example can be found in Review Sheet PCCL15AS-HK. However, HealthKeepers has taken steps to revise the language in its provider remits to alleviate the examiner's concerns. Further, HealthKeepers continues to disagree that statute does not allow carriers to recover an overpayment with consent from contracted providers. An example can be found in Review Sheet PCCL44JA-HK. However, HealthKeepers stopped allowing providers to grant permission in March 2023 to address the examiner's concerns.

18. HealthKeepers will take steps to ensure that written communications contain an explanation of why the claim is being retroactively adjusted, and that explanation will accurately reflect the action taken on a claim, as required by § 38.2-3407.15 B 8 of the Code;

**Company Response:**

HealthKeepers does take steps to ensure written communications contain an explanation of why the claim is being retroactively adjusted and the action taken on the claim as required by § 38.2-3407.15 B 8. The violations identified were associated with isolated incidents of human error. HealthKeepers has provided retraining for its associates.

19. HealthKeepers will take steps to ensure its EOBs and other communications provide clear and accurate information, so as to prevent misrepresentations, as required by § 38.2-502 (1) of the Code;

**Company Response:**

HealthKeepers does take steps to ensure its EOBs and other communications provide clear and accurate information, so as to prevent misrepresentations, as required by § 38.2-502 (1) of the Code. The three valid violations identified were related to isolated incidents of human error. HealthKeepers is retraining associates as needed.

20. HealthKeepers will take steps to ensure that it makes prompt, fair and equitable settlements of claims in which liability has become reasonably clear, as required by § 38.2-510 A 6 of the Code;

**Company Response:**

HealthKeepers does take steps to ensure that it makes prompt, fair and equitable settlements of claims in which liability has become reasonably clear, as required by § 38.2-510 A 6 of the Code. The violations identified by the examiners were associated with isolated incidents of human error. HealthKeepers is

retraining associates as needed.

21. HealthKeepers will take steps to ensure that its EOBs clearly and accurately disclose the method of benefit calculation and the actual amount which has been or will be paid to the provider of services, as required by § 38.2-514 B of the Code. This shall include clearly and accurately indicating member liability, billed amounts, allowable amounts, deductibles, coinsurance, and copayments on its EOBs, as well as ensuring that included remarks are not potentially misleading to the member and required remarks are not omitted;

**Company Response:**

HealthKeepers does take steps to ensure that its EOBs clearly and accurately disclose the method of benefit calculation and the actual amount which has been or will be paid to the provider of services, as required by § 38.2-514 B of the Code. This includes clearly and accurately indicating member liability, billed amounts, allowable amounts, deductibles, coinsurance, and copayments on its EOBs, as well as ensuring that included remarks are not potentially misleading to the member and required remarks are not omitted. The violations identified by the examiners during the exam were a result of isolated incident of human error. HealthKeepers is retraining associates as needed.

22. HealthKeepers will take steps to ensure that every EOB provided to an insured, claimant, or subscriber accurately and clearly sets forth the benefits payable under the contract, specifically related to out-of-pocket accumulators, as required by § 38.2-3407.4 B of the Code;

**Company Response:**

HealthKeepers takes steps to ensure that every EOB provided to an insured, claimant, or subscriber accurately and clearly sets forth the benefits payable under the contract, specifically related to out-of-pocket accumulators, as required by § 38.2-3407.4 B of the Code.

The unclear EOB code messaging observed in three sampled claims (Review Sheets CL12JA-HK, CL13JA-HK, and CL18JA-HK) was revised in June 2022.

23. HealthKeepers will take steps to ensure that its ASH EOBs accurately reflect the benefits, coverages or provisions of the insurance policy, as required by 14 VAC 5-400-40 B;

**Company Response:**

HealthKeepers strives to ensure its EOBs are compliant with regulatory requirements and will take steps to ensure that its ASH EOBs are enhanced to accurately reflect the benefits, coverages or provisions of the insurance policy, as required by 14 VAC 5-400-40 B. HealthKeepers is working with its intermediary to promptly make the necessary revisions.

24. HealthKeepers will take steps to ensure that it pays claims in accordance with the provisions of the policy, as required by 14 VAC 5-400-70 E. HealthKeepers will reopen and re-adjudicate, as necessary, the claims discussed in Review Sheets CL07AS-HK, CL03JA-HK, CL08JA-HK, CL09JA-HK, CL09LG-HK, CL01LK-HK, CL02LK-HK, CL03LK-HK, CL05LK-HK, CL06LK-HK, CL07LK-HK, CL09LK-HK, and CL20LK-HK to pay in accordance with the provisions of the policy and provide the examiners with documentation of any remediation;

**Company Response:**

HealthKeepers will review the claims discussed in the listed Review Sheets, make adjustments, and apply interest as required to ensure that claims are paid in accordance with policy provisions.

25. HealthKeepers will take steps to ensure that it provides to the insured an EOB 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, as required by 14 VAC 5-400-100 B;

**Company Response:**

HealthKeepers continues to enhance its procedures and has taken steps to further ensure that it provides to the insured an EOB 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, as required by 14 VAC 5-400-100 B.

26. HealthKeepers will take steps to ensure that every EOB subject to balance billing accurately reflects the cost-sharing requirement, as required by § 38.2-3445.01 B of the Code;

**Company Response:**

HealthKeepers does take steps to ensure that every EOB subject to balance billing accurately reflects the cost-sharing requirement, as required by § 38.2-3445.01 B of the Code. After taking another look at the services billed subject to this corrective action plan, HealthKeepers determined Virginia's balance billing laws were not applicable to the claim associated with Review Sheet CL17JA-HK because the services were provided in an out-of-network facility and not billed as an emergency. The two additional violations identified by the examiners (Review Sheets CL015JA-HK and CL23JA-HK) were associated with isolated human errors. HealthKeepers is retraining associates as needed.

27. HealthKeepers will take steps to ensure that the enrollees incur no greater cost than the amount determined under subsection B and shall not balance bill or otherwise attempt to collect from the enrollee any amount greater than such amount, as required by § 38.2-3445.01 C of the Code;

**Company Response:**

HealthKeepers does take steps to ensure compliance with § 38.2-3445.01 C of the Code. The single violation identified by the examiners (Review Sheet CL015JA-HK) was associated with an isolated human error. HealthKeepers is retraining associates as needed.

28. HealthKeepers will take steps to ensure it makes payments for services described in subsection A directly to the provider, as required by § 38.2-3445.01 G of the Code;

**Company Response:**

HealthKeepers does take steps to ensure compliance with § 38.2-3445.01 G of the Code. The single violation identified by the examiners (Review Sheet CL015JA-HK) was associated with an isolated human error. HealthKeepers is retraining associates as needed.

29. HealthKeepers will take steps to ensure that it clearly describes out-of-network health benefits to the enrollee in a manner substantially similar to the standard format provided by the commission, as required by 14 VAC 5-405-70 B 1; and

**Company Response:**

HealthKeepers reviewed the single alleged violation associated with 14 VAC 5-405-70 B 1 of the Code (Review Sheet CL17JA-HK) which requires carriers 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". HealthKeepers is compliant as evidenced by filed and approved plan documents.

Further, HealthKeepers includes the prescribed notice to consumers as required by 14 VAC5-407-70 B 2 with its plan documents.

After taking another look at the services billed related to the single violation alleged in Review Sheet CL17JA-HK, with respect to 14 VAC 5-405-70 B 3, HealthKeepers determined Virginia's balance billing

laws were not applicable because the services were provided in an out-of-network facility and not billed as an emergency.

- 30. HealthKeepers will take steps to ensure that it provides the enrollee with an explanation of benefits that clearly indicates whether the enrollee is or is not subject to balance billing if it contains claims from out-of-network providers, as required by 14 VAC 5-405-70 B 3.

**Company Response:**

HealthKeepers ensures compliance with 14 VAC 5-405-70 B 3 of the Code by providing enrollees with an explanation of benefits that clearly indicates whether the enrollee is or is not subject to balance billing.

After taking another look at the services billed related to the single violation alleged in Review Sheet CL17JA-HK, with respect to 14 VAC 5-405-70 B 3, HealthKeepers determined Virginia's balance billing laws were not applicable because the services were provided in an out-of-network facility and not billed as an emergency.

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# COMMONWEALTH OF VIRGINIA



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February 1, 2024

## SENT VIA ELECTRONIC MAIL

Kimberly Stevens  
Compliance Director (VA)  
Elevance Health

**RE: Response to the Draft Examination Report  
HealthKeepers, Inc. ("HealthKeepers")**

Dear Ms. Stevens:

The examiners have received and reviewed HealthKeepers' response to the draft Report dated December 11, 2023. This letter will primarily address those areas of the response where HealthKeepers disagreed with the findings and corrective actions of the Report or where upon further review, the examiners determined that modifications to the findings were necessary. Please be advised that HealthKeepers is required to provide documentation substantiating all actions taken to comply with the Corrective Action Plan (CAP) upon finalization of the examination and within the timeframe established by the Report. This also includes procedures and business practices that have been strengthened, implemented or revised, as well as any regulatory addendums and contracts that have been amended. In its responses, HealthKeepers indicated a recurring pattern of human error. HealthKeepers is required, for any Corrective Action Plan where human error is identified, to demonstrate the implementation of system controls, oversight protocols which could include reporting and data analysis, and targeted training specific to the errors encountered. The Bureau of Insurance (BOI) is providing a revised copy of the draft Report and the following responses:

### **COMPANY DISAGREEMENTS**

This section of the response addresses HealthKeepers' additional disagreements with the findings or corrective actions for each area of review in the same order as presented in the draft Report.

## **SECTION V. PROVIDER CONTRACTS REVIEW**

### **CAP Item Number 1 (Required Provisions)**

The BOI has received, and reviewed HealthKeepers' additional documentation related to PC06AL-HK and PC02JA-HK that was not provided to the examiners during the examination review. HealthKeepers indicated in its response that during the examination there was some confusion amongst its newer associates on how to gather all documentation needed for the sampled providers and acknowledged that training opportunities exist. While the examiners are removing certain violations, the Report will include a corrective action item requiring HealthKeepers to retain complete records of provider contracts and provide all required documentation regarding provider contracts when requested by the examiners. Regarding Review Sheets PC06AL-HK and PC02JA-HK, the violations of §§ 38.2-3407.15 B 1 through 38.2-3407.15 B 13 of the Code have been removed. The Report has been revised to reflect these changes.

### **CAP Item Number 4 (Language Regarding Providers Holding HealthKeepers Harmless from Underpayment)**

The BOI continues to disagree with HealthKeepers concerning language requiring that providers hold HealthKeepers harmless from underpayment referenced in Review Sheet PC03BW-HK regarding BOI Item #'s 3, 4, 5 and 12.

Corrective Action Item #13, from the market conduct examination report associated with the Order dated 4/14/2020, Case # INS-2020-00046, states that HealthKeepers must amend all direct contracts between the HMO and a provider containing the "Special Compensation" amendment to remove language inhibiting the provider's ability to ensure that claims are paid in accordance with the fee schedule, as required by § 38.2-3407.15 B 8 of the Code. (Note that § 38.2-3407.15 B 9 of the Code was formerly § 38.2-3407.15 B 8 of the Code.)

HealthKeepers' response states that the sampled contracts were not renewed during 2021, but the examiners noted in Review Sheet PC03BW-HK (Examiner Second Response) that the contracts were amended after June 2020, and the cited language should have been removed or changed to the version indicated in the company's response to the corrective action plan at the time of the earliest amendment. The Report appears correct as written.

### **CAP Item Number 5 (Required Provisions)**

The BOI has received, and reviewed HealthKeepers' additional documentation related to PC06AL-HK and PC02JA-HK. HealthKeepers indicated in its response that it previously provided the examiners with a 2021 reference copy of a "combination" contract, which represented the entire 2021 calendar year. When HealthKeepers generated the

combination contracts to supply to the auditors, a blank signature page was automatically generated and by design included the form revision date in the bottom left corner. This date did not represent the actual date the contract was generated or executed, and these weren't the actual contract documents signed by or sent to the provider. Regarding Review Sheets PC06AL-HK and PC02JA-HK, the violations of §§ 38.2-3407.15:2 B 1 through 38.2-3407.15:2 B 14 of the Code have been removed. The Report has been revised to reflect these changes.

## **SECTION VII. CLAIMS REVIEW**

### **CAP Item Number 15 (Interest Payments)**

The examiners have reviewed HealthKeepers' additional explanation in the attachment titled "12-20-23 Target Market Conduct Examination of HealthKeepers - CAP15." HealthKeepers indicated during the examination that interest overpayments were resolved through a system correction on October 15, 2022. Although there were violations of § 38.2-4306.1 B of the Code resulting from underpayment of interest, the examiners are not indicating that violations were cited for overpayment of interest. CAP Item Number 15 requires that HealthKeepers provide documentation of the system correction undertaken to accurately calculate interest according to § 38.2-4306.1 B of the Code, a correction made necessary due to the HealthKeepers' claims processing system being incorrectly programmed to pay interest according to the requirements of § 38.2-3407.1 of the Code. The Report appears correct as written.

### **CAP Item Numbers 26 and 30 (Balance Billing)**

The examiners have reviewed the additional documentation and explanations provided by HealthKeepers regarding Review Sheet CL17JA-HK. HealthKeepers stated in its response that Virginia's balance billing laws were not applicable to the claim because the services were provided at an out-of-network facility and not billed as an emergency. However, the following details of the claim indicate that it was billed as, or as a result of, an emergency.

- The Occurrence Code on the claim form is 11. Occurrence Code 11 is specifically related to changes in patient status from outpatient to inpatient after emergency department services.
- According to the first 3 Diagnosis codes, the patient was admitted for Myocardial Infarction/Heart Attack – DX- I2119y, Cardiac Shock – DX - r570 and Stroke – DX I639y.
- The Admission Type (Box 14) on the claim reflects 2. Admission Type 2 indicates the patient was treated for urgent care.

- The onset date of the claim is also the admit date. The date of onset on a medical claim form is traditionally the date when the illness or injury began and is also the first clinical symptom or sign of a particular condition.

HealthKeepers provided documentation that included an EOB with an “ATB” remark code for claims subject to balance billing. This claim is subject to balance billing; therefore, the proper EOB disclosures are required. The Report appears correct as written.

### **CAP Item Number 29 (Balance Billing)**

The examiners have reviewed the additional documentation and explanations provided by HealthKeepers regarding Review Sheet CL17JA-HK.

Although the EOC indicates that the cost-share is determined using the median in-network contracted rate, it fails to explain that the member will be obligated to pay the in-network cost sharing requirement for claims subject to the balance billing statutes. This information is required in order to clearly explain the member’s responsibility for these types of claims. The checklist carriers must complete when filing policy forms specifies that this is required information. Although the policy language does not meet the requirements of the Code, the language was in an approved policy form and no monetary penalties will be assessed for the violation. The CAP has been revised to require HealthKeepers to ensure future policy forms include language clarifying the member’s cost-sharing obligation in these situations. The examiners have no findings related to the consumer notice sent with the plan documents. The Report has been revised to reflect these changes.

The attached revised copy of the Report incorporates revisions the examiners made to reflect findings that have been removed or other corrections. Please note that pages including revisions are noted by the word "REVISED" included in the footer. These are the only changes that the examiners plan to make to the Report.

If you have any questions or need any additional information, please do not hesitate to contact me.

Very truly yours,



Bryan Wachter, CIE, AIRC, FLMI, MCM  
BOI Manager  
Health Market Conduct Section  
Life and Health Market Regulation Division  
Telephone (804) 371-9745

2015 Staples Mill Road  
Richmond, VA 23230

Julie Blauvelt  
Deputy Commissioner  
Bureau of Insurance  
1300 East Main Street  
Richmond, VA 23219

RE: Alleged Violations of Code of Virginia §§ 38.2-502 (1), 38.2-510 A 6, 38.2-514 B, 38.2-3407.4 B, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-3407.15 B 10, 38.2-3407.15:2 B 1, 38.2-3407.15:2 B 2, 38.2-3407.15:2 B 3, 38.2-3407.15:2 B 4, 38.2-3407.15:2 B 5, 38.2-3407.15:2 B 6, 38.2-3407.15:2 B 7, 38.2-3407.15:2 B 8, 38.2-3407.15:2 B 9, 38.2-3407.15:2 B 10, 38.2-3407.15:2 B 11, 38.2-3407.15:2 B 12, 38.2-3407.15:2 B 13, 38.2-3407.15:2 B 14, 38.2-3445.01 B, 38.2-3445.01 C, 38.2-3445.01 G, 38.2-4306.1 B, 38.2-5805 C 1, 38.2-5805 C 2, 38.2-5805 C 4, 38.2-5805 C 5, 38.2-5805 C 6, 38.2-5805 C 9, and 38.2-5805 C 10, as well as 14 VAC 5-400-40 B and 14 VAC 5-400-100 B of the Rules Governing Unfair Claim Settlement Practices, and 14 VAC 5-405-70 B 1 and 14 VAC 5-405-70 B 3 of the Rules Governing Balance Billing for Out-of-Network Health Care Services  
Case No. INS-2024-00044

Dear Ms. Blauvelt:

This will acknowledge receipt of the Bureau of Insurance's letter dated April 15, 2024, concerning the above-referenced matter.

HealthKeepers, Inc. wishes to make a settlement offer for the alleged violations cited above. Further, we agree to:

1. Enclose with this letter a certified check, cashier's check or money order payable to the Treasurer of Virginia in the amount of \$250,500.
2. Comply with the Corrective Action Plan set forth in the examination Report within 120 days from the Commission Order.
3. Acknowledge HealthKeepers, Inc.'s right to a hearing before the State Corporation Commission in this matter and waive that right if the State Corporation Commission accepts this offer of settlement.

This offer is being made solely for the purpose of a settlement and does not constitute, nor should it be construed as, an admission of any violation of law.

Sincerely,

HealthKeepers, Inc

*Monica L. Schmude*

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(Signed)

Monica Schmude  
(Type or Print Name)

President, Anthem Blue Cross Blue Shield  
(Title)

May 6, 2024  
(Date)

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COPY

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 28, 2024

80-11141  
DOCUMENT BUSINESS UNIT 1

2024 JUN 28 P 2:32

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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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