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Department of Insurance
State of Idaho

PM

Attorneys for the Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
STATE OF IDAHO

In the Matter of:

MONTANA HEALTH COOPERATIVE
dba MOUNTAIN HEALTH CO-OP;

Certificate of Authority No. 4273

Docket No. 18-3483-18

CONSENT ORDER

COMES NOW the staff of the Idaho Department of Insurance (the “Department”) and MONTANA HEALTH COOPERATIVE dba MOUNTAIN HEALTH CO-OP (“MHC”), a managed care organization holding Idaho Certificate of Authority No. 4273, and do hereby agree and stipulate as follows:

FINDINGS OF FACT

1. MHC is a Montana non-profit corporation duly authorized by the state of Idaho to operate as a managed care organization pursuant to title 41, chapter 39, of the Idaho Code. MHC was granted Certificate of Authority No. 4273 effective June 13, 2014, pursuant to title 41, chapter 3, Idaho Code.

2. In November, 2017, MHC verbally communicated to its appointed producers that certain medical providers at a regional medical facility in Idaho were in the MHC network.

3. The MHC communication was not accurate because the medical physicians at a certain regional medical facility in Idaho were not in the MHC network.

4. At the same time, MHC published inaccurate information on its website stating thereon that certain medical providers were in its network.

5. The inaccurate information as communicated both verbally and by publication on its website impacted the health care decisions of multiple consumers and policyholders in reliance on the accuracy of the information.

CONCLUSIONS OF LAW

6. Section 41-1302, Idaho Code, prohibits any person from engaging in the state of Idaho of any trade practice that is prohibited by title 41, chapter 13, Idaho Code.

7. Section 41-1304, Idaho Code, prohibits any person from making, publishing, disseminating, or circulating to the public, or causing, whether directly or indirectly, to be made, published disseminated, or circulated or placed before the public, in the form of a notice, circular, letter, or in any other way, any announcement or statement containing any assertion or representation with respect to the business of insurance which is untrue or misleading.

8. MHC's verbal announcement that certain medical providers at a regional medical facility in Idaho were in the MHC network, was untrue and misleading, in violation of section 41-1304, Idaho Code.

9. MHC's publication on its website stating thereon that certain providers were in its network was untrue and a violation of section 41-1304, Idaho Code.

10. IDAPA 18.01.24 (DOI Rule 24) provides for minimum standards and guidelines of conduct in the advertising of disability insurance in such a manner as to prevent unfair competition

among insurers and to be conducive to the accurate presentation and description to the insurance buying public of a disability insurance policy offered through various advertising media. IDAPA Rule 18.01.24.001.02.

11. DOI Rule 24 also provides that advertisement of such policies includes, but is not limited to, printed and published material, newspapers, magazines, websites, internet displays, and other forms of electronic communications and displays. IDAPA Rule 18.01.24.010.01

12. DOI Rule 24 also provides that the form and content of an advertisement of a disability policy shall be sufficiently clear and complete to avoid deception or to avoid being misleading. IDAPA Rule 18.01.24.012. 01.

13. MHC's publication on its website that certain medical providers were in the MHC network was untrue and was a form of advertisement that was misleading and deceptive, in violation of IDAPA Rule 18.01.24.

14. Under the foregoing legal authority, the Director of the Department is authorized to impose an administrative penalty of up to \$5,000 for each act in violation of Idaho law and to revoke or suspend MHC's certificate of authority pursuant to section 41-327(1), Idaho Code.

15. In lieu of contested enforcement proceedings, the parties agree that this matter can be brought to a close by a negotiated and stipulated settlement and entry of a Consent Order.

AGREEMENT

16. MHC admits to one violation of section 41-1304, Idaho Code, and agrees with the Findings of Fact and Conclusions of Law stated hereinabove.

17. MHC agrees to enter into single-provider service agreements to provide services to insureds in areas where insureds do not have access to in-network providers.

18. As sanction for all violations referenced above, MHC and the Department agree that MHC shall pay to the Department an administrative penalty in the amount of Ten Thousand Dollars (\$10,000), by no later than thirty (30) calendar days after the entry of this Consent Order.

19. MHC agrees that in the future it will comply with all applicable laws, and rules promulgated thereunder.

20. MHC acknowledges that the terms of this Consent Order are appropriate and proper under the circumstances referenced herein, and that MHC has entered into this Consent Order knowingly, voluntarily, and with full knowledge of any rights it may be waiving thereby.

21. The parties waive their right to notice and hearing at which they may be represented by counsel, present evidence, and examine witnesses.

22. MHC knowingly and voluntarily waives any rights it would otherwise have to litigate the matters and issues addressed herein, including but not limited to the rights afforded by Idaho Code § 41-232A, which provides for: the right to a hearing; the right to be represented at hearing by counsel chosen and retained by MHC; the right to present a defense, oral and documentary evidence and to cross-examine witnesses at such hearing; and the right to seek judicial review.

23. This Consent Order constitutes full and final resolution of all matters addressed herein, and the Department agrees that, upon execution of this Consent Order by MHC and MHC's full compliance with all terms and conditions set forth herein, the Department shall seek no further sanctions for the violations addressed herein.

24. MHC acknowledges that this is an administrative action that may be required to be reported on Department licensing applications and license renewal forms. The disclosure requirements of other states may also require disclosure of the same.

25. This Consent Order is subject to approval by the Director or the Director's designee, and shall become effective and binding upon the Department and MHC upon such approval. Should

the Director decline to approve this Consent Order, the Department and MHC shall retain all of their rights, claims and/or defenses, and any factual and/or legal admissions made by MHC herein shall be withdrawn.

IT IS SO AGREED.

Dated this 23 day of MAY, 2018.

MONTANA HEALTH COOPERATIVE
dba MOUNTAIN HEALTH CO-OP

By: 

Richard Miltenberger
Chief Executive Officer

Dated this 26 day of May, 2018.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

By: 

Nathan Faragher
Bureau Chief, Company Activities
Idaho Department of Insurance

ORDER

IT IS HEREBY ORDERED,

1. That the preceding Consent Order is approved and adopted in full;
2. MHC shall to enter into single-provider service agreements to provide services to insureds in areas where insureds do not have access to in-network providers.
3. That MHC shall pay to the Department an administrative penalty in the amount of Ten Thousand Dollars (\$10,000), no later than thirty (30) calendar days after the entry of this Consent Order;

Dated this 29 day of May, 2018.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



DEAN L. CAMERON
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 30th day of May, 2018, I caused a true and correct copy of the foregoing, fully-executed **CONSENT ORDER** to be served upon the following by the designated means:

Montana Health Cooperative
Dba Montana Health Co-Op
PO Box 5358
Helena, MT 59604

- first class mail
- certified mail
- hand delivery
- via facsimile

John C. Keenan
Deputy Attorney General
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- first class mail
- certified mail
- hand delivery
- via facsimile



Pamela Murray