

Attachment B.25-1: Regulatory Actions and Sanctions

Coventry Entity	Action	Description and Resolution
Altius Health Plan	Fines	Three \$500 fines related to late filing of 2007 and 2008 annual TPA reports and late payment of an annual fraud assessment fee (2009).
Cambridge Life Insurance Company	Fine	Failure to file Annual Certification of Advertisement Report with the Nevada Department of Insurance (2008).
Cambridge Life Insurance Company	Fine	Failure to file Annual Quality of Health Care Report with the Nevada Department of Insurance (2008).
Carelink Health Plans, Inc.	Corrective Action & Penalty	\$10,000 penalty and corrective action plan resulting from West Virginia Insurance Commission Market Conduct Examination (2010).
Coventry Health Care, Inc.	Voluntary Suspension of Marketing	Coventry initiated the voluntary suspension of marketing individual private fee for service (PFFS) plans for less than 2 months. As an aside, Coventry no longer operates the PFFS line of business (2007).
Coventry Health Care, Inc.	Fine	Coventry Health Care, Inc., on behalf of its subsidiaries that offered Medicare PFFS plans, reached a settlement with CMS related to Coventry's alleged failure to oversee agents' marketing of PFFS products. Coventry paid a fine in the amount of \$190,000 to CMS (2008).
Coventry Health Care, Inc.	Fine	Certain Coventry subsidiaries were cited for having inaccurate information in their 2010 Annual Notice of Change (ANOC) and Evidence of Coverage (EOC) documents (2010).
Coventry Health and Life Insurance Company	Notice of Investigation	South Carolina DOI alleged that Coventry Health and Life Insurance Company offered COBRA, HRA, HSA and FSA products at no charge to clients, thus violating applicable South Carolina law. Operations were revised to address this (2010).
Coventry Health and Life Insurance Company	Fine	Fined \$4,846 in Louisiana for failure to pay the correct amount of estimated premium taxes for 2 nd quarter 2007. The corrected tax amount and penalty was submitted and the issue was resolved (2007).
Coventry Health and Life Insurance Company	Fine	Fined \$1,593 in Louisiana for alleged failure to pay municipal premium taxes. Penalty and taxes were paid and the issue was resolved (2008).
Coventry Health and Life Insurance Company	Fine and Corrective Action Plan	Corrective Action Plan and Fine of \$154,497 resulting from Market Conduct Examination findings of CHLIC (including business practices of Coventry-KS and GHP)
Coventry Health Care of Delaware, Inc.	Corrective Action Plan	EQRO Audit – findings of deficiency for Diamond Plan (2006-2010).

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Coventry Health Care of Delaware, Inc.	Fine	Failure to comply with certain prompt payment requirements in claims processing (2007).
Coventry Health Care of Delaware, Inc.	Fine	Routine Market Conduct Examination (2007).
Coventry Health Care of Delaware, Inc.	Fine	Maryland Insurance Administration found that there was a period of time wherein Maryland Health Insurance Plan required notices were not issued with each CoventryOne individual declination. MHIP notice was reinstated immediately (Order dated 1/08/2009, Case No.: MIA-2009-01-006).
Coventry Health Care of Delaware, Inc.	Fine	Maryland Insurance Administration found that the summaries of benefits in use did not appropriately disclose the out-of-network benefit to members. Corrective action plan submitted to MIA on 8/01/08 (Order dated 2/03/2009).
Coventry Health Care of Delaware, Inc.	Fine	Maryland Insurance Administration investigation of compliance with complaint and grievance processes (Order dated 1/21/2010).
Coventry Health Care of Delaware, Inc.	Fine	As a result of Maryland Insurance Administration investigation of reimbursement for claims related to prescription drugs (Procrit), health plan was found in violation of Maryland law and ordered to pay for the drugs (Order dated: 1/31/11, Case No.: 89606-L2010-SEM-C).
Coventry Health Care of Iowa, Inc.	Findings of Deficiency	EQRO audit; finding of deficiency (2006).
Coventry Health Care of Louisiana, Inc.	Fine	Fine of \$1,000 for alleged failure to submit timely proof of compliance with statutory deposit requirements. Proof was soon after submitted and the matter was resolved. The health plan was in compliance with the actual deposit requirement but failed to submit timely paperwork to the Louisiana Department of Insurance (2007).
Coventry Health Care of Louisiana, Inc.	Corrective Action Plan; Fine	Consent agreement and \$5,000 fine for failure to properly notify all required persons and provide required documentation regarding newborns potentially qualifying for health insurance coverage (2008).

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Coventry Health Care National Accounts, Inc.	Fine	Fine paid to the Connecticut Insurance Department as a result of a routine Market Conduct Examination. Fine related to alleged failure to bold-print certain external appeals language in printed materials (2007).
Coventry Health Care of Nebraska, Inc.	Consent Orders and Fines	The company was assessed a \$2,500 administrative fine by the DOI for its handling of a claim for emergency room treatment and subsequent delays (2008).
Coventry Health Care of Nebraska, Inc.	Consent Orders and Fines	The company was assessed a \$2,000 administrative fine by the DOI for inconsistent claim handling for services provided by in-network versus out-of-network providers (2008).
Coventry Health Care of Nebraska, Inc.	Consent Order and Fines	Assessed a \$1,500 administrative fine by the DOI for denial of a claim for emergency room treatment (2008).
Coventry Health Care of Nebraska, Inc.	Consent Order and Fines	Assessed a \$2,500 administrative fine by the DOI for delays and non-payment of a claim for a pre-existing condition (2009).
Coventry Workers Compensation Services	Fine	Failure to comply with the Massachusetts Utilization Review regulations; \$300 fine per incident (2009/2010).
Coventry Workers Compensation Services	Fine	Failure to comply with the payment provisions of the Tennessee Medical Fee Schedule; fines totaled \$1.59M, which are under appeal.
First Health Group Corp.	Fine	Fine for alleged failure to timely respond to a request for information from the Wisconsin Department of Insurance regarding the handling of an ERISA claim (2006).
First Health Life and Health Insurance Co.	Fine	Order lifting a Show Cause Order; Alabama Department of Insurance (2007).
First Health Life and Health Insurance Co.	Fine	Notice of Informal Adjudicative Proceeding and Order by the Utah Department of Insurance (2006).
First Health Life and Health Insurance Co.	Fine	Assessment for late filing with the Maine Health Data Organization (2006/2007).
First Health Life and Health Insurance Co.	Fine	Failure to file annual complaint log with the New Hampshire Department of Insurance (2006).
First Health Life and Health	Fine	Failure to file Annual Certification of Advertisement Report with the Nevada Department of Insurance

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Insurance Co.		(2008).
First Health Life and Health Insurance Co.	Fine	Failure to file Annual Quality of Health Care Report with the Nevada Department of Insurance (2008).
First Health Life and Health Insurance Co.	Fine	Failure to file annual statement electronically with the Washington Department of Insurance (2006).
Group Dental Service, Inc.	Penalty	Approximately \$26,000 in penalties to the IRS related to its failure to furnish accurate tax payer ID numbers for certain 1099 individuals and entities (2008/2009).
Group Dental Service, Inc.	Consent Order	Consent Order and a \$500 fine for failure to timely file an annual report with the Nevada Department of Business and Industry that was due in 2007 (2009).
Group Dental Service, Inc.	Notice of Failure	Notice of Failure to file real property tax returns with the state of Maryland for 2009 and 2010, respectively. No fines were levied as the underlying taxes were paid (2010/2011).
Group Health Plan, Inc.	Fine and Corrective Action Plan	Finding from Market Conduct Examination of the company of non-compliance with certain statutory and regulatory provisions of the State of Missouri. Fine of \$77,635 and corrective action plan submitted.
GHP, Inc.	Refund	Office of Personnel Management required GHP to refund money related to its Federal Employees Health Benefit Plan business for the years 2000-2002; 2004, and 2005 (2007).
HealthAmerica Pennsylvania & HealthAssurance Pennsylvania	Fine and Plan of Corrective Action	Routine Market Conduct Examination by the Pennsylvania Department of Insurance in 2006/2007 for the period January 1, through December 31, 2005.
HealthAmerica Pennsylvania & HealthAssurance Pennsylvania, Coventry Health and Life Insurance Company, Coventry Health Care of Pennsylvania	Letter of Recommendation Issued	Pennsylvania Department of Insurance Financial Examination in 2006/2007 to evaluate compliance with insurance laws and regulations and examine business, management, and financial condition for period January 1, 2003 through December 1, 2005.
HealthAmerica Pennsylvania & HealthAssurance Pennsylvania	Plan of Corrective Action Settlement	2007/2008 Pennsylvania Department of Health Utilization Review practices audit for the period January 1 through June 30, 2007.
HealthAmerica Pennsylvania & HealthAssurance Pennsylvania	Fine and Plan of Corrective Action	2006/2007 Pennsylvania Department of Health Appeal Audit for the period January 1 through June 30, 2006.

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HealthAmerica Pennsylvania & HealthAssurance Pennsylvania	Fine and Plan of Corrective Action	2008/2009 Pennsylvania Department of Health Appeal Audit for the period January 1 through June 30, 2008.
HealthAmerica Pennsylvania & HealthAssurance Pennsylvania	Plan of Corrective Action Settlement	2009/2010 Pennsylvania Department of Health Utilization Review practices audit for the period January 1 through December 31, 2009.
HealthAmerica Pennsylvania & HealthAssurance Pennsylvania	Fine and Plan of Corrective Action	Pennsylvania Attorney General and Insurance Department investigation regarding compliance with prudent layperson standard (2007-2009).
HealthAmerica Pennsylvania & HealthAssurance Pennsylvania	Letter of Recommendation Issued	Ohio Department of Health Triennial Examination; finding of compliance was issued with recommendations regarding nurse licensing, documentation of physician licenses and provider malpractice insurance (2007)
HealthAmerica Pennsylvania & HealthAssurance Pennsylvania	Letter of Deficiency and Plan of Corrective Action	Letter of deficiency for compliance with Executive Management Requirements (staffing) of the Pennsylvania HealthChoices contract (2010)
HealthAmerica Pennsylvania, HealthAssurance Pennsylvania, Coventry Health and Life Insurance Company, Coventry Health Care of Pennsylvania, Inc.	Interest Payment	Sales and Use Tax Act audit and a limited examination of Employer Withholding of Pennsylvania Personal Income Tax for the review period January 1, 2006 through December 31, 2008. No penalties or fines resulted from audit. However, an interest payment was required resulting from audit findings (2009)
HealthCare USA of Missouri, LLC	Corrective Action Plan	As a result of the Medicaid agency's audit of HCUSA's behavioral health subcontractor, HCUSA entered into a Corrective Action Plan to address various deficiencies (2009).
Mercy Health Plans of Missouri, Inc.(recently merged into GHP)	Fine and Corrective Action Plan	Failure to file TX CHIP Network and Capacity Report with the TX HHSC in a timely manner. Report was 9 days late. Note: this occurred prior to acquisition of Mercy Health Plans of Missouri by Coventry Health Care, Inc. (2008).
Mercy Health Plans of Missouri,	Fine and Corrective Action Plan	Failure to operate a TX CHIP Member and Provider toll-free hotline for 9 hours on 3/21/2008, and failure to answer 80% calls in queue within 30 seconds. Note:

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Inc.(recently merged into GHP)		this occurred prior to acquisition of Mercy Health Plans of Missouri by Coventry Health Care, Inc. (2008).
Mercy Health Plans of Missouri, Inc.(recently merged into GHP)	Fine	TX CHIP failure to meet threshold for performance improvement goals related to access/availability and performance measures on the Financial Statistical Report (FSR). Note: this occurred prior to acquisition of Mercy Health Plans of Missouri by Coventry Health Care, Inc. (2009).
Mercy Health Plans of Missouri, Inc.(recently merged into GHP)	Fine and Corrective Action	Targeted Market Conduct (HMO) Exam of Missouri First Steps mandate. Improper denials of First Steps claims. Note: this occurred prior to acquisition of Mercy Health Plans of Missouri by Coventry Health Care, Inc. (2009).
MHNet	Consent Order & Fine	Consent Order with the Florida Office of Insurance Regulation for conducting business without a proper license; fine in the amount of \$35,000 plus \$5,000 in costs (2009).
OmniCare Health Plan, Inc.	Corrective Action Plan	CAPs to address improvements in various aspects of the Site Visits performed by the Department of Community Health in 2008-2010.
PersonalCare of Illinois	Fine & Corrective Action Plan	Corrective Action Plan and \$40,000 fine resulting from Market Conduct Examination of the company and finding of non-compliance with certain statutory and regulatory provisions of the State of Illinois (2007)
Southern Health Services, Inc.	Settlement	Settlement Order in the amount of \$51,000 as a result of a target Market Conduct Examination performed by the Virginia Corporation Commission, Bureau of Insurance (2007).
Southern Health Services, Inc.	Admonishment	Letter of admonishment from Bureau of Insurance related to failure to comply with Virginia law and company policies regarding timely review of expedited appeals requests (2007).
Southern Health Services, Inc.	Corrective Action	Corrective action was required by the Virginia Bureau of Insurance for violation of HMO regulations regarding mental health services and related out-of-pocket maximum amounts. The Corrective Action plan required amendment of all plan documents, review of all paid claims from 2006-2008, and refund of overpayment to impacted members (2008).
Vista Healthplan and Vista Healthplan of South Florida	Corrective Actions Plan	Medicaid fraud prevention program review; CAP audited and accepted (2007/2008).
Vista Healthplan and Vista Healthplan of	Corrective Action Plan (submitted and accepted; no further	Medicaid review related to contractual requirements regarding pharmacy Ombudsman; additional training was provided to staff regarding the requirement

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South Florida	action required)	(2006).
Vista Healthplan and Vista Healthplan of South Florida	Corrective Action Plan (submitted and accepted; no further action required)	Medicaid review related to conduct of marketing agents; required additional training specific to presentations made to prospective members (2006).
Vista Healthplan	Fine	Fine for alleged marketing violations to Medicaid members (2006).
Vista Healthplan and Vista Healthplan of South Florida and Summit Health Plan	Corrective Action Plan for period of 6 months	Medicare Comprehensive review; areas impacted included appeals, credentialing, provider contracts, and the availability of member materials in Spanish (2007).
Vista Healthplan and Vista Healthplan of South Florida	Corrective Action Plan (submitted and accepted; no further action required)	Medicaid Comprehensive review; areas impacted include quality management, credentialing, and fraud prevention (2007).
Vista Healthplan and Vista Healthplan of South Florida	Corrective Action Plan (submitted 2/15/08)	Medicaid EPSDT/Childhood Check-Up Reports audit; federal participation ratio of 80% was not met (2007).
Vista Healthplan	Corrective Action Plan (submitted and accepted; no further action required)	Nursing Home Diversion/Long Term Care Contract Comprehensive Review; areas impacted included case management files, quality assurance studies, and submission of encounter data (2007).
Vista Healthplan and Vista Healthplan of South Florida	Fine	Fine related to timely payment of clean claims (2007)
Vista Healthplan and Vista Healthplan of South Florida	Corrective Action Plan	Comprehensive review required the revision of certain Medicaid policies and procedures, credentialing and Practitioner Office Site tool. CAP accepted, no further action taken (2008).
Vista Healthplan and Vista Healthplan of South Florida	Fine	Untimely submission of disease management program descriptions and policies for Medicaid plan (2008).
Vista Healthplan of South Florida & Vista Healthplan; Summit Health Plan	Corrective Action Plan	Financial examination of Medicare bids for 2006. CAP issued for various reasons; accepted and no further action required (2009).
Coventry Health Care, Coventry Health Plan, Coventry	Corrective Action Plan	Medicare Part D. Various components found to be deficiency such as grievances, appeals, enrollment, compliance plan, etc. CAP accepted, no further action taken. Notice of follow up review received in May 2011 (2010).

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Summit Health Plan*		
Coventry Health Care and Coventry Health Plan*	Corrective Action Plan	Comprehensive review required the revision of certain Medicaid policies and procedures for case management, care coordination, utilization management, quality improvement, grievances and appeals, and administration/management. CAP was accepted, no further action taken (2011).
Coventry Health Care and Coventry Health Plan*	Settlement/Contractual Assessment	Settlement with Florida Agency for Health Care Administration regarding overpayment of Medicaid claims related to unborn activation process for the period of 7/1/04 – 12/31/07 (2011).
Coventry Health Care and Coventry Health Plan*	Corrective Action Plan	FL Office of Insurance Regulation (OIR) reviewed billing information for conversion members and found discrepancies between the amounts billed and amounts approved by the OIR. CAP was submitted and accepted, no further action taken (2011).
Coventry Summit Health Plan*	Consent Order	Financial examination of Medicare bids for 2008. CAP issued because the health plan was not able to produce copies of prescriptions issued by treating providers. CAP accepted, no further action taken (2011).
Coventry Health Care and Coventry Health Plan*	Fines	The Florida Agency for Health Care Administration has the contractual authority to assess fines of \$200 per day for each instance in which reports required by the Medicaid program are submitted late. There have been instances during this period in which reports were submitted late because of various reasons, i.e. system conversion, staff turnover, etc. The fines have been minimal and have not exceeded \$2,000 per occurrence, per legal entity (2006-present).
WellPath Select, Inc. and Coventry Health and Life Insurance Company	Voluntary Settlement and Penalty	North Carolina DOI requested a monetary penalty in the amount of \$6,000 and executed a voluntary settlement agreement with the companies related to the companies monitoring of intermediaries for the years 2006-2010 (2010).

*In 2010 the FL plans experienced a name change for the organizations. Vista Healthplan is n/k/a Coventry Health Care of Florida, Inc.; Vista Healthplan of South Florida is n/k/a Coventry Health Plan of Florida, Inc.; and Summit Health Plan is n/k/a Coventry Summit Health Plan, Inc.