

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

<i>In Re:</i>)	
)	
BLUE CROSS AND BLUE SHIELD OF KANSAS CITY (NAIC #47171))	Market Conduct Investigation No. 340129
)	
GOOD HEALTH HMO (NAIC #95315))	Market Conduct Investigation No. 340128
)	

ORDER OF THE DIRECTOR

NOW, on this 30th day of July, 2019, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division"), Blue Cross and Blue Shield of Kansas City (NAIC #47171 (hereinafter "BCBSKC), and Good Health HMO (NAIC #95315) (hereinafter "Good Health"), relating to the market conduct investigations set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

IT IS THEREFORE ORDERED that BCBSKC, Good Health, and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that BCBSKC and Good Health shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place each in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 30th day of July, 2019.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.

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STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the "Division"), Blue Cross and Blue Shield of Kansas City (NAIC #47171) (hereinafter "Blue Cross KC"), and Good Health HMO (NAIC #95315) (hereinafter "Good Health") as follows:

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

WHEREAS, Blue Cross KC and Good Health have been granted certificates of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Division conducted a Market Conduct Investigation of Blue Cross KC, Investigation #340129; and

WHEREAS, based on the Market Conduct Investigation of Blue Cross KC, the Division alleges that:

1. Blue Cross KC did not timely file with the Director its 2018 group and individual

rates in violation of §376.465.8 and 20 CSR 400-13.100 (9).¹

2. Blue Cross KC continued health benefit plan² contracts that remained in force for a period of nearly 9 months prior to the rates being filed with the Director in violation of §376.465.4.

3. Blue Cross KC utilized rates prior to those rates being filed with the Director in violation of §376.465.7 (1).

WHEREAS, the Division conducted a Market Conduct Investigation of Good Health, Investigation #340128; and

WHEREAS, based on the Market Conduct Investigation of Good Health, the Division alleges that:

1. Good Health did not timely file with the Director its 2018 rates in violation of §376.465.8 and 20 CSR 400-13.100 (9).

2. Good Health continued health benefit plan contracts that remained in force for a period of nearly 9 months prior to the rates being filed with the Director in violation of §376.465.4.

3. Good Health utilized rates prior to those rates being filed with the Director in violation of §376.465.7 (1).

WHEREAS, the Division, Blue Cross KC and Good Health have agreed to resolve the issues raised in the Market Conduct Investigations as follows:

A. **Scope of Agreement.** This Stipulation of Settlement (hereinafter, “Stipulation”) embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.

² As defined in §376.465.3 (4) and §376.1350 (18).

this agreement are contractual and not a mere recital.

B. Remedial Action. Blue Cross KC and Good Health agree to take remedial action bringing each into compliance with the statutes and regulations of Missouri and agree to maintain those remedial actions at all times, to reasonably assure that the errors noted in the Market Conduct Investigations do not recur. Such remedial actions shall include, but are not limited to, the following:

1. Blue Cross KC and Good Health agree to timely file rates in accordance with the provisions of §376.465.8 and 20 CSR 400-13.100 (9) for its health benefit plans that are not grandfathered health benefit plans or excepted health benefit plans.

2. Blue Cross KC and Good Health agree not to deliver, issue for delivery, continue or renew any health benefit plan until rates have been filed with the Director.

3. Blue Cross KC and Good Health agree that they will not use rates for health benefit plans, that are not grandfathered health benefit plans or excepted health benefit plans, prior to the dates prescribed in §376.465.7 (1).

C. Compliance. Blue Cross KC and Good Health agree to file documentation with the Division, in a format acceptable to the Division, within 90 days of the entry of a final order of any remedial action taken pursuant to Paragraph B to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.190.

D. Non-Admission. Nothing in this Stipulation shall be construed as an admission by the Blue Cross KC or Good Health, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigations.

E. Waivers. Blue Cross KC and Good Health, after being advised by legal counsel, do

hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the Market Conduct Investigations #340129 and #340128.

F. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division, Blue Cross KC and Good Health.

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

H. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division, Blue Cross KC and Good Health respectively.

I. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.

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

DATED: 7/24/2019



Angela L. Nelson, Director
Division of Insurance Market Regulation

DATED: 7/23/19



Stewart Freilich
Chief Market Conduct Examiner and
Senior Counsel
Division of Insurance Market Regulation

DATED: 7/23/19

Scott McAdams

Scott E. McAdams, Senior Vice President & Chief
Audit, Compliance and Risk Officer
Blue Cross and Blue Shield of Kansas City

DATED: 7/23/19

Randy Oursler

Randy Oursler, Chief Actuary
Good Health HMO