



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
)
) **Market Conduct Examination No. 374246**
COVENTRY HEALTH CARE)
OF MISSOURI, INC. (NAIC #96377))

ORDER OF THE DIRECTOR

NOW, on this 02nd day of November, 2023, Director, Chlora Lindley-Myers, after consideration and review of the market conduct examination report of Coventry Health Care of Missouri, Inc. (hereinafter "CHCMO"), examination report number #374246, prepared and submitted by the Division of Insurance Market Regulation (hereinafter "Division") pursuant to §374.205.3(3)(a)¹, does hereby adopt such report as filed. After consideration and review of the market conduct examination #374246, the examination report, relevant work papers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director's findings and conclusions accompanying this order pursuant to §374.205.3(4).

This order, issued pursuant to §374.205.3(4) and §374.046.15. RSMo, is in the public interest.

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

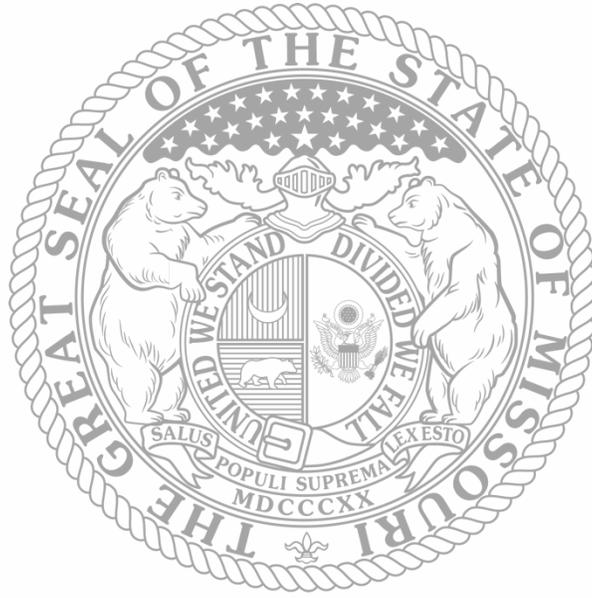
IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 02nd day of November, 2023.



Chlora Lindley Myers

Chlora Lindley-Myers
Director



MARKET CONDUCT EXAMINATION REPORT
Health Business of

Coventry Health Care of Missouri, Inc.
NAIC #96377

Missouri SBS Examination #374246

NAIC Exam #MO-HICKSS1-153

September 5, 2023

Home Office
1285 Fern Ridge Parkway, Suite 200
St. Louis, MO 63141

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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September 5, 2023

Honorable Chlora Lindley-Myers, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Lindley-Myers:

In accordance with your market conduct examination warrant, a statutory targeted market conduct examination has been conducted of the specified lines of business and business practices of

Coventry Health Care of Missouri, Inc. (NAIC #96377)

hereinafter referred to as Coventry or as the Company. This examination was conducted as a desk examination at the offices of the Missouri Department of Commerce and Insurance (DCI).

FOREWORD

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures, products, or files does not constitute approval thereof by the DCI.

During this examination, the examiners cited errors considered potential violations made by the Company. Statutory citations were as of the examination period unless otherwise noted.

When used in this report:

- “Company”, “Coventry”, or “CHCMO” refers to Coventry Health Care of Missouri, Inc.
- “HMO” refers to Health Maintenance Organization
- “CSR” refers to the Missouri Code of State Regulations
- “DCI” refers to the Missouri Department of Commerce and Insurance
- “Director” refers to the Director of the Missouri Department of Commerce and Insurance
- “NAIC” refers to the National Association of Insurance Commissioners
- “RSMo” refers to the Revised Statutes of Missouri

SCOPE OF EXAMINATION

The DCI has authority to conduct this examination pursuant to, but not limited to, §§354.190, 374.110, 374.190, 374.205, 375.938, and 375.1009, RSMo, conducted in accordance with §374.205.

This examination was conducted pursuant to the statutory requirement in 354.465, RSMo. The purpose of the examination was to determine if the Company complied with Missouri statutes and DCI regulations. The primary period covered by this review is January 1, 2018, through December

31, 2020, unless otherwise noted. Errors found outside of this time period may also be included in the report.

The examination was a targeted examination involving the following lines of business and business functions: Health Insurance – Complaint Handling, Claims, Grievance Procedures, and Utilization Review.

The examination was conducted in accordance with the standards in the NAIC's 2021 *Market Regulation Handbook*. As such, the examiners utilized the benchmark error rate guidelines from the NAIC *Market Regulation Handbook* when conducting reviews that applied a general business practice standard. The NAIC benchmark error rate for claims practices is seven percent (7%) and for other trade practices, it is ten percent (10%). Error rates exceeding these benchmarks are presumed to indicate a general business practice. The benchmark error rates were not utilized for reviews not applying the general business practice standard.

In performing this examination, the examiners reviewed only a sample of the Company's practices, procedures, products, and files. Therefore, some noncompliant practices, procedures, products, and files may not have been found. As such, this report may not fully reflect all of the practices and procedures of the Company.

COMPANY PROFILE

Coventry Health Care of Missouri, Inc., is a Missouri domestic HMO licensed pursuant to Chapter 354, RSMo. The Company was incorporated in May of 1985 and became licensed as an HMO the same year. The Company is also licensed in Arkansas, Illinois, Kansas, and Oklahoma.

During the course of its licensure, Coventry Health Care of Missouri, Inc. has undergone or participated in many mergers and acquisitions. Notably, on May 7, 2013, Coventry Health Care, Inc., the Company's then parent, completed a merger with Aetna Inc. On January 1, 2014, Coventry Health Care, Inc., which survived the merger as a wholly owned subsidiary of Aetna Inc., merged into Aetna Health Holdings, LLC. In November 2018, CVS Health Corporation acquired Aetna, Inc. and its subsidiaries, including the Company.

Following Aetna's acquisition of Coventry in 2014, the Company's HMO membership began voluntarily moving to policies underwritten by Aetna Health Inc. Coventry did not terminate nor involuntarily transfer any of its HMO membership at that time. Coventry Health Care of Missouri, Inc. (CHCMO) provided notice to DCI that it intended to exit the individual health insurance market in the State of Missouri effective January 1, 2016. CHCMO no longer had Missouri HMO membership by January 1, 2018.

EXECUTIVE SUMMARY

The DCI conducted a targeted market conduct examination of Coventry Health Care of Missouri, Inc. The initial notice of Market Conduct Examination letter to the Company stated the exam

would focus on a review of complaints, grievances, claims, and utilization reviews. Due to the Company's lack of membership in Missouri during the exam time frame, reviews were limited. The examiners identified no areas of concern during the examination.

EXAMINATION FINDINGS

I. COMPLAINT HANDLING

The complaint handling portion of the examination provides a review of the Company's complaint handling practices. The examiners reviewed how the Company handled complaints to ensure it was performing according to its own guidelines and Missouri statutes and regulations.

A. NAIC Market Regulation Handbook Chapter 20 - Complaint Handling Standard 1: All complaints are recorded in the required format on the regulated entity's complaint register.

The DCI requested the Company's complaint log and was informed the Company had no complaints during the time period of review. The examiners also reviewed DCI records for complaints submitted to the Department and found no complaints. Therefore, no additional reviews were conducted.

The examiners found no errors in this review.

II. CLAIMS

The claims portion of the examination provides a review of the Company's compliance with Missouri statutes and regulations regarding claims handling practices such as the timeliness of handling, accuracy of payment, and adherence to contract provisions.

A. NAIC Market Regulation Handbook Chapter 20 - Claims Standard 1: The initial contact by the regulated entity with the claimant is within the required time frame.

To test for this standard, the examiners reviewed a census of 44 claim files for compliance with the acknowledgement time standards in §§375.1007(2), 376.383.2 and .10, RSMo, and 20 CSR 100-1.030(1), as well as standards for furnishing claims forms and assistance for paper claims in §375.1007(13), RSMo, and 20 CSR 100-1.030(3). The results of this review are summarized below.

Field Size	44
Sample Size	44
Type of Sample	Census
Number of Errors	0
Error Ratio	0.00%

The examiners found no errors in this review.

B. NAIC Market Regulation Handbook Chapter 20 - Claims Standard 2: Timely investigations are conducted.

The same census of claims noted in “NAIC Claims Standard 1” were reviewed for compliance with the claim investigation standards in 20 CSR 100-1.050(1)(C) and (4). The results of this review are summarized below.

The examiners found no errors in this review.

C. NAIC Market Regulation Handbook Chapter 20 - Claims Standard 3: Claims are resolved in a timely manner.

The same census of claims noted in “NAIC Claims Standard 1” were reviewed for compliance with the claim determination standards in 20 CSR 100-1.050(1)(A). The results of this review are summarized below.

The examiners found no errors in this review.

D. NAIC Market Regulation Handbook Chapter 20 - Claims Standard 4: The regulated entity responds to claims correspondence in a timely manner.

The same census of claims noted in “NAIC Claims Standard 1” were reviewed for compliance with the communication standards in 20 CSR 100-1.030(2). The results of this review are summarized below.

The examiners found no errors in this review.

E. NAIC Market Regulation Handbook Chapter 20 - Claims Standard 5: Claim files are adequately documented.

The same census of claims noted in “NAIC Claims Standard 1” were reviewed for compliance with the claim documentation standards in 20 CSR 100-8.040(3). The results of this review are summarized below.

The examiners found no errors in this review.

F. NAIC Market Regulation Handbook Chapter 20 - Claims Standard 6: Claims are properly handled in accordance with policy provisions and applicable statutes (including HIPAA), rules and regulations.

The same census of claims noted in “NAIC Claims Standard 1” were reviewed for compliance with improper and unfair claims settlement practices in §375.1007, RSMo, 20 CSR 100-1.020, 20 CSR 100-1.030, 20 CSR 100-1.050, and 20 CSR 100-8.040. The results of this review are summarized below.

The examiners found no errors in this review.

G. NAIC Market Regulation Handbook Chapter 20 - Claims Standard 9: Denied and closed without payment claims are handled in accordance with policy provisions and state law.

The same census of claims noted in “NAIC Claims Standard 1” were reviewed for compliance with improper and unfair claims settlement practices in §375.1007, RSMo, 20 CSR 100-1.020, 20 CSR 100-1.030, 20 CSR 100-1.050, and 20 CSR 100-8.040. The results of this review are summarized below.

The examiners found no errors in this review.

III. GRIEVANCE PROCEDURES

The grievance procedures portion of the examination is designed to evaluate how well the company handles grievances. Missouri statute defines grievances in §376.1350(17).

A. NAIC Market Regulation Handbook Chapter 24 – Grievance Procedures 2: The health carrier documents, maintains and reports grievances and establishes and maintains grievance procedures in compliance with applicable statutes, rules and regulations.

While conducting the Utilization Review portion of the examination, the examiners confirmed the Company had no grievances filed for CHCMO during the time period of the review. This aligns with the Company’s lack of Missouri membership during the time period of the exam. Therefore, a list of grievances and grievance procedures were not requested or reviewed.

The examiners found no errors in this review.

IV. UTILIZATION REVIEW

The utilization review portion of the examination is designed to verify that companies and their designees that provide or perform utilization review services comply with standards and criteria for the structure and operation of the utilization review process. Missouri statute defines utilization review in §376.1350(34), RSMo.

A. NAIC Market Regulation Handbook Chapter 24 – Utilization Review Standard 1: The health carrier establishes and maintains a utilization review program in compliance with applicable statutes, rules and regulations.

The examiners reviewed the processes and procedures for the Company’s implemented written utilization review program that describes all review activities regarding evaluation of medical necessity, appropriateness, efficacy or efficiency of health care services, procedures or settings to determine compliance with policy provisions, statutes, and regulations.

The examiners scrutinized the Company’s processes and procedures related to CHCMO’s implemented Utilization Review (UR) standards, including CHCMO’s Certificates of Registration for Utilization Review Agents, Annual Utilization Review Reports, and UR requirements enumerated in Missouri statutes and regulations.

During the exam time frame, CHCMO had no HMO membership involving UR activity for review. The plan year 2018 UR report indicated one appeal filed under CHCMO in error. The appeal was for a PPO plan member underwritten by Coventry Life and Health Insurance Company. In lieu of a 2020 report, CHCMO sent notification on February 26, 2021 to the DCI the Company no longer met reporting requirements and ceased reporting.

The examiners found no errors in this review.

V. CRITICISMS AND FORMAL REQUESTS TIME STUDY

This study is based upon the time required by the Company to provide the examiners with the requested material or to respond to criticisms. Missouri statutes and regulations require companies to respond to criticisms and formal requests within 10 calendar days. In the event an extension of time was requested by the Company and granted by the examiners, the response was deemed timely if it was received within the subsequent time frame. If the response was not received within the allotted time, the response was not considered timely.

A. Criticism Time Study

Number of Calendar Days to Respond	Number of Criticisms	Percentage of Total
0 to 10 days	3	100%
Over 10 days with extension	0	0%
Over 10 days without extension or after extension due date	0	0.0%
Totals	3	100.0%

The examiners found no errors in this review.

B. Formal Request Time Study

Number of Calendar Days to Respond	Number of Requests	Percentage of Total
0 to 10 days	2	22.2%
Over 10 days with extension	7	77.8.0%
Over 10 days without extension or after extension due date	0	0.0%
Totals	9	100.0%

The examiners found no errors in this review.

EXAMINATION REPORT SUBMISSION

Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Coventry Health Care of Missouri, Inc., NAIC #96377 Examination Number 374246, MATS #MO-HICKSS1-153. This examination was conducted by Examiner-In-Charge, Gary Bird, CIE, John Clubb, CIE, and Donald Wilson, CIE. The findings in the Final Report were extracted from the Market Conduct Examiner's Draft Report, dated September 6, 2023. Any changes from the text of the Market Conduct Examiner's Draft Report reflected in this Final Report were made by the Chief Market Conduct Examiner or with the Chief Market Conduct Examiner's approval. This Final Report has been reviewed and approved by the undersigned.

October 27, 2023

Date



Teresa Kroll

Chief Examiner, Market Conduct