

BEFORE THE MARYLAND INSURANCE COMMISSIONER

MARYLAND INSURANCE ADMINISTRATION *
200 ST. PAUL PLACE, SUITE 2700 *
BALTIMORE, MARYLAND 21202 *

vs. *

CAREFIRST BLUECHOICE, INC. *
1501 S. CLINTON ST. *
BALTIMORE, MARYLAND 21224 *
(NAIC # 96202) *

ORDER NO.: MIA-2015-10-036

INVESTIGATION NO:
MCLH-5-2015-I

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CONSENT ORDER

This Consent Order is entered into by the Maryland Insurance Commissioner ("Commissioner") and CareFirst BlueChoice, Inc. ("BlueChoice") pursuant to the authority granted in §§ 2-108 and 2-204 of the Insurance Article and §§ 19-729 and 19-730 of the Health-General Article, Md. Code Ann. (2011 Repl. Vol & Supp) to resolve the matter before the Maryland Insurance Administration ("Administration").

Facts

(1) At all times relevant to this Consent Order BlueChoice holds a Certificate of Authority from the Administration to operate as health maintenance organization in the State of Maryland.

(2) In August 2014, as part of its regulatory responsibility the Administration conducted a routine investigation into whether BlueChoice was conducting business in compliance with the Mental Health Parity and Addiction Equity Act, 45 CFR Parts 146 and 147 ("MHPAEA"). During its investigation the Administration gathered information in connection with: (1) whether BlueChoice maintained an adequate network of methadone treatment providers consistent with 45 CFR §156.230 and (2) whether not applying geofactors to reimbursement rates for providers of mental health and substance use disorders violated the

MHPAEA and Insurance Article §31-116 and required BlueChoice to provide further information to demonstrate compliance with those statutes.

(3) BlueChoice provided information that effective December 1, 2015, it contracted with at least one (1) methadone treatment provider with multiple treatment locations and that enrollees may obtain methadone therapy as an in-network medical benefit from any licensed methadone treatment provider.

(4) BlueChoice provided additional information demonstrating that the use of geofactors for determining reimbursement rates of medical and surgical providers but not for the reimbursement rates of mental health and substance use disorder providers is not a more stringent application of a factor used to determine reimbursement rates.

Conclusions of Law

(5) After reviewing all of the relevant information, the Administration has determined: (1) that BlueChoice currently maintains a network of methadone treatment providers consistent with 45 CFR §156.230; and (2) that under BlueChoice's current reimbursement methodology its decision not to apply geofactors to reimbursement rates for providers of mental health and substance use disorders does not violate the MHPAEA or Insurance Article §31-116.

WHEREFORE, for the reasons set forth above, it is **ORDERED** by the Commissioner and consented to by the BlueChoice that:

A. This Consent Order supersedes the initial Order dated October 30, 2015.

B. The executed Consent Order shall be sent to the attention of: Victoria August, Associate Commissioner, Compliance & Enforcement Unit, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202.

C. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning BlueChoice, whether related or unrelated to

the foregoing paragraphs, and with regard to requests for information about BlueChoice made under the Maryland Public Information Act, or properly made by governmental agencies, this Consent Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Consent Order.

D. The parties acknowledge that this Consent Order resolves all matters relating to the factual assertions and agreements contained herein and are to be used solely for the purposes of this proceeding brought by or on behalf of the Administration. Nothing herein shall be deemed a waiver of the Commissioner's right to proceed in an administrative action or civil action for violations not specifically identified in this Consent Order, including, but not limited to, specific consumer complaints received by the Administration, nor shall anything herein be deemed a waiver of the right of BlueChoice to contest other proceedings by the Administration. This Consent Order shall not be construed to resolve or preclude any potential or pending civil, administrative, or criminal action or prosecution by any other person, entity or governmental authority, including, but not limited to, the Insurance Fraud Division of the Administration, regarding any conduct by BlueChoice including the conduct that is the subject of this Consent Order.

E. BlueChoice has had the opportunity to have this Consent Order reviewed by legal counsel of its choosing, and is aware of the benefits gained and obligations incurred by the execution of the Consent Order. BlueChoice waives any and all rights under the Insurance Article with respect to any of the determinations made or actions ordered by this Consent Order.

F. This Consent Order contains the entire agreement between the parties relating to the administrative actions addressed herein. This Consent Order supersedes any and all earlier

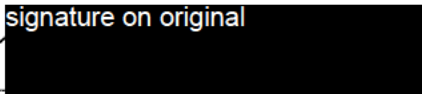
agreements or negotiations, whether oral or written. All time frames set forth in this Consent Order may be amended or modified only by subsequent written agreement of the parties.

G. This Consent Order shall be effective upon signing by the Commissioner or his designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.

H. Failure to comply with the terms of this Consent Order may subject BlueChoice to further legal and/or administrative action.

ALFRED W. REDMER, JR.
Insurance Commissioner

signature on original

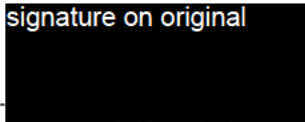
By: Victoria August 
Associate Commissioner
Compliance & Enforcement

Date: 5/17/16

BLUECHOICE'S CONSENT

BlueChoice hereby consents to the representations made in, and to the terms of, the above Consent Order. On behalf of BlueChoice, the undersigned hereby affirms that he or she has taken all necessary steps to obtain the authority to bind BlueChoice to the obligations stated herein and does, in fact, have the authority to bind BlueChoice to the obligations stated herein resolving Investigation number MCLH-5-2015-I.

Name: Meryl D. Burgin

signature on original


Signature: _____

Title: Executive Vice President & General Counsel

Date: May 10, 2016