

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

BEFORE THE
INSURANCE COMMISSIONER

vs. *

INVESTIGATION NO.:
MCLH-3-2015-I *

COVENTRY HEALTH & LIFE INSURANCE *
COMPANY (NAIC #81973) *

AND *

COVENTRY HEALTH CARE OF DELAWARE *
INC. (NAIC #96460) *
151 FARMINGTON AVE., RT63 *
HARTFORD, CT 06156 *

ORDER NO.: MIA-2015-12- 035

ORDER

This Order is entered by the Maryland Insurance Administration (“the Administration”) against Coventry Health and Life Insurance Company and Coventry Health Care of Delaware, Inc. (collectively “Respondents”) pursuant to the authority granted in §§ 2-108 and 2-204 of the Insurance Article (“Insurance Article”), as well as §§ 19-729 and 19-730 of the Health-General Article, Md. Code Ann. (2011 Repl. Vol. & Supp.) (“Health-General Article”) by the Insurance Commissioner for the State of Maryland (“the Commissioner”).

I. Facts

(1) Respondents currently hold Certificates of Authority from the Administration to offer health insurance in the State.

(2) The Respondents offer Qualified Health Plans through the Maryland Health Benefit Exchange.

(3) A survey was sent in August 2014 to the Respondents regarding compliance with the Mental Health Parity and Addiction Equity Act (“MHPAEA”).¹ After

¹ See Federal Register, Volume 78, No. 219, published November 13, 2013

receiving the survey response from the Respondents, the Administration opened investigation MCLH-3-2015-I to gather the additional information necessary to determine compliance with the federal rule.

II. Findings

(4) When questioned about the number of in-network providers of mental health and substance use benefits with the different plans offered by the Respondents, the Administration found that there are no in-network methadone treatment clinics.

(5) The Respondents have no in-network psychologists in all of Western Maryland which consists of Garrett, Allegheny, Washington and Frederick Counties. The Respondents also have no in-network psychiatrists in Garrett or Allegheny Counties and only one in-network psychiatrist in Washington County. Additionally, there are no in-network licensed professional counselors or licensed clinical social workers in Garrett County. The Administration notes that § 45 CFR 156.230 provides network adequacy standards for all Qualified Health Plans offered by the Respondent. Section 45 CFR 156.230 provides in pertinent part:

(a) General requirement. A QHP issuer must ensure that the provider network of each of its QHPs, as available to all enrollees, meets the following standards—

(2) Maintains a network that is sufficient in number and types of providers, including providers that specialize in mental health and substance abuse services, to assure that all services will be accessible without unreasonable delay;

(6) In addition to all other relevant sections of the Insurance Article, the Administration relies on the following pertinent sections of state and federal law:

(a) § 45 CFR 147.160 Parity in mental health and substance use disorder benefits.

(a) In general. The provisions of § 146.136 of this subchapter apply to health insurance coverage offered by health insurance issuer in the individual market in the same manner and to the same extent as such

provisions apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the large group market.

- (b) § 19-729, Health-General Article, Annotated Code of Maryland.
 - (a) A health maintenance organization may not:
 - (1) Violate any provision of this subtitle or any rule or regulation adopted under it;
 - (2) Fail to fulfill its obligations to provide the health care services specified in its contracts with subscribers;

 - (b) If any health maintenance organization violates this section, the Commissioner may pursue any one or more of the courses of action described in § 19-730 of this subtitle.
- (c) § 19-730, Health-General Article, Annotated Code of Maryland.
 - (a) If any person violates any provision of § 19-729 of this subtitle, the Commissioner may:
 - (1) Issue an administrative order that requires the health maintenance organization to:
 - (i) Cease inappropriate conduct or practices by it or any of the personnel employed or associated with it;
 - (ii) Fulfill its contractual obligations;
 - (iii) Provide a service that has been denied improperly;
 - (iv) Take appropriate steps to restore its ability to provide a service that is provided under a contract;
 - (v) Cease the enrollment of any additional enrollees except newborn children or other newly acquired dependents of existing enrollees; or
 - (vi) Cease any advertising or solicitation;
 - (2) In addition to suspending or revoking a certificate of authority:
 - (i) Impose a penalty of not less than \$100, but not more than \$125,000 for each violation;

III. Sanctions

(7) By the facts stated above, Respondents' Certificates of Authority are subject to suspension or revocation, and/or the imposition of an administrative penalty and/or restitution.

(8) Failure to comply with the terms of this Order may subject the Respondents to further legal and/or administrative action.

WHEREFORE, for the reasons set forth above, and subject to your right to request a hearing, it is this 16th day of December, 2015, **ORDERED** that:

A. The Respondents shall provide documentation demonstrating in-network access to methadone treatment benefits sufficient to serve their members within ninety (90) days of the effective date of this Order.

B. The Respondents shall provide written documentation of compliance with §§ 45 CFR 156.230 within ninety (90) days of the effective date of this Order, concerning the network adequacy of psychiatrists, psychologists, licensed professional counselors, and licensed clinical social workers in Western Maryland, by identifying the network adequacy in-network numeric goals for each type of provider set by Respondents, the process or rationale used to set the goals, and the progress of meeting the goals.

C. The Respondents shall provide a written update to the Administration of the percentage of goals met in Paragraph B six (6) months from the effective date of this Order.

**ALFRED W. REDMER, JR.
INSURANCE COMMISSIONER**

signature on original

By: Victoria August
Associate Commissioner
Compliance & Enforcement

RIGHT TO REQUEST A HEARING

Any person aggrieved by this Order has the right to request a hearing. A request for a hearing must be made in writing and received by the Maryland Insurance Administration within thirty (30) days of the date of this Order. The request must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Attention: Hearings and Appeals Coordinator. Failure to request a hearing in a timely fashion, or to appear at a scheduled hearing, will result in a waiver of your right to contest the Commissioner's action, and the Order will be final on the effective date. If a hearing is requested within ten (10) days of the date of the letter accompanying this Order, the effective date of the Order will be stayed until the matter is adjudicated. Should an aggrieved party request a hearing, the hearing officer may reduce, increase, or affirm the penalty amount sought by the Commissioner.