

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

BEFORE THE  
INSURANCE COMMISSIONER

vs.

CAREFIRST OF MARYLAND, INC. \*  
1501 S. CLINTON ST. \*  
BALTIMORE, MD 21224 \*  
(NAIC # 47058) \*

ORDER NO.: MIA-2016-02-059

AND \*

GROUP HOSPITALIZATION \*  
& MEDICAL SERVICES INC. \*  
1501 S. CLINTON ST. \*  
BALTIMORE, MD 21224 \*  
(NAIC # 53007) \*

INVESTIGATION NO.: MCLH-5-2015-I

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**CONSENT ORDER**

This Consent Order ("Order") is entered into by the Maryland Insurance Commissioner ("Commissioner") and CareFirst of Maryland, Inc.; and Group Hospitalization and Medical Services, Inc. (collectively, "Respondents") pursuant to the authority granted in §§ 2-108 and 2-204 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.) ("Insurance Article") to resolve the matter before the Maryland Insurance Administration ("Administration").

**I. Facts**

(1) At all times relevant to this Order, the Respondents have held Certificates of Authority from the Administration to operate as nonprofit health service plans in the state of Maryland.

(2) The Respondents meet the definition of a "prominent carrier" as defined in 31.10.34.03(B)(5) of the Code of Maryland Regulations ("COMAR") and are required to submit an availability plan to the Administration on a yearly basis.

(3) Respondents' most recent availability plan, as described in COMAR 31.10.34.05, showed that the Respondents had not met their stated goals for network adequacy in two behavioral health provider groups, Psych/Neuro DOs and Geriatric Psychiatry.

## II. Conclusions of Law

(4) The Administration finds that it is unable to determine compliance with COMAR 31.10.34.04(A), which provides in pertinent part:

A. A carrier shall maintain a provider panel that is sufficient in numbers and types of available providers to meet the health care needs of enrollees.

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

A. The Respondents shall submit information to the Administration, within 90 days of the date of this Order, proving that despite the deficiencies identified in the provider panel availability plan, the network is sufficient to provide mental health services to the Respondents' members.

## III. Other Provisions

B. The executed 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 the Respondents, whether related or unrelated to the foregoing paragraphs, and with regard to requests for information about the Respondents made under the Maryland Public Information Act, or properly made by governmental agencies, this 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 Order.

D. The parties acknowledge that this 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 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 the Respondents to contest other proceedings by the Administration. This 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 the Respondents including the conduct that is the subject of this Order.

E. The Respondents have had the opportunity to have this Order reviewed by legal counsel of its choosing, and are aware of the benefits gained and obligations incurred by the execution of the Order. The Respondents waive any and all rights to

under the Insurance Article with respect to any of the determinations made or actions ordered by this Order.

F. This Order contains the entire agreement between the parties relating to the administrative actions addressed herein. This Order supersedes the initial Order, any and all earlier agreements or negotiations, whether oral or written. All time frames set forth in this Order may be amended or modified only by subsequent written agreement of the parties.

G. This 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 Order may subject the Respondents to further legal and/or administrative action.

ALFRED W. REDMER, JR.  
Insurance Commissioner

**signature on original**

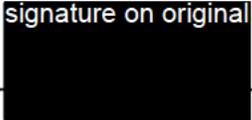
By: Victoria August  
Associate Commissioner  
Compliance & Enforcement

Date: 2-23-16

**RESPONDENTS' CONSENT**

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

Name: Meryl D. Burgin

Signature:   
signature on original

Title: Executive Vice President, General Counsel and  
Corporate Secretary

Date: February 16, 2016