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FURTHER INFORMATION
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Montemayor Compels Restitution for Doctors/Providers and Issues \$9.25 Million in Fines

Insurance Commissioner Jose Montemayor reached agreement with 17 insurance carriers and health maintenance organizations (HMOs) operating in Texas to pay restitution to health care providers dating back to August 1, 2000, and millions in fines.

The restitution payments and fines are primarily the result of numerous justified complaints from healthcare providers about thousands of clean claims that were paid after the statutory 45-day period.

Commissioner Montemayor said companies were given ample time to correct their delinquent payments. "These insurance carriers failed to pay doctors and other providers on time, even after passage of legislation, the revision of this agency's regulations and strong warnings by the department," Montemayor said. "Their time and my patience has run out."

Restitution payments are expected to be in the millions of dollars. Doctors and providers will receive restitution payments in approximately 90 days.

Today's announcement is attributed to the work of the provider ombudsman that Montemayor created in April to assure that HMOs and insurance companies comply with state laws requiring prompt payment of clean claims. Senior Associate Commissioner Audrey Selden and executive TDI staff have been meeting with insurance companies and HMOs and analyzing complaint data and clean claims payment information from the plans to pinpoint serious violations that required corrective action.

The 17 insurance companies and HMOs providing health coverage in Texas will enter into consent orders. The restitution and fines levied against seven insurance groups are:

Blue Cross and Blue Shield of Texas, A Division of Health Care Services Corp. Rio Grande HMO, Inc. Southwest Texas HMO, Inc. Texas Gulf Coast HMO, Inc.	Restitution and \$1.5 million
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Cigna Healthcare of Texas, Inc. Connecticut General Life Insurance Co.	Restitution and \$1.25 million
Humana Health Plan of Texas, Inc. Humana Insurance Co. Employers Health Insurance Co.	Restitution and \$1.25 million
One Health Plan of Texas, Inc. Great-West Life & Annuity Insurance Co. Alta Health & Life Insurance Co.	Restitution and \$1.5 million
Sierra Health and Life Insurance Co., Inc. Texas Health Choice, L.C.	Restitution and \$1.25 million
Unicare Life & Health Insurance Co.	Restitution and \$1.25 million
United Healthcare Insurance Co. United Healthcare of Texas, Inc.	Restitution and \$1.25 million

Additional fines beyond \$1 million were added because of the failure of insurance companies and HMOs to carry out statutory requirements that included failure to pay 85% of a claim by the 45-day limit when an audit was required, failure to maintain accurate complaint records, and failure to adequately monitor delegated networks for compliance and financial performance.

Additional significant enforcement actions are expected. In particular, Aetna and PacifiCare are under TDI review.

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