



**State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE**

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**Connie L. O'Connell, Commissioner**

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**Notice of Adoption and Filing of Examination Report**

Take notice that the proposed report of the market conduct examination of the

American Dental Plan of Wisconsin, Inc.  
P O Box 44966  
Madison WI 53744-4966

dated December 3-5, 2001, and served upon the company on September 17, 2002, has been adopted as the final report, and has been placed on file as an official public record of this Office.

Date at Madison, Wisconsin, this 6<sup>th</sup> day of November, 2002.

Connie L. O'Connell  
Commissioner of Insurance

**STATE OF WISCONSIN  
OFFICE OF THE COMMISSIONER OF INSURANCE**

**MARKET CONDUCT EXAMINATION**

**OF**

**AMERICAN DENTAL PLAN OF WISCONSIN, INC.  
MADISON, WI**

**DECEMBER 3-5, 2001**

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# State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott McCallum, Governor  
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## Bureau of Market Regulation

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December 5, 2001

Honorable Connie L. O'Connell  
Commissioner of Insurance  
Madison, WI 53702

Commissioner:

Pursuant to your instructions and authorization, a targeted compliance market conduct examination was made in December 3-5, 2001 of:

American Dental Plan of Wisconsin, Inc.  
Madison, WI

and the following report is respectfully submitted.

## I. INTRODUCTION

American Dental Plan of Wisconsin Inc. (ADP) is a for profit independent practice association (IPA) model limited service health organization (LSHO). It commenced business on March 1, 1984. The plan provides subscriber-group member enrollees with covered dental services through contracts with dentists. Enrollees are required to designate a plan dentist to provide their dental care. The plan dentists agree to provide covered dental benefits in exchange for the monthly capitation amount paid to them by the plan for each enrollee. Separate capitation amounts are set for general dentistry, periodontics, orthodontics, endodontics, and oral surgery. The plan is contracted with providers located in the counties of Dane, Dodge, Columbia, Grant, Iowa, Jefferson, Richland, Rock, Sauk, and Waukesha. ADP writes business only in Wisconsin.

Table A summarizes the premium written and incurred losses in Wisconsin for 1999 and 2000 broken down by line of business.

Table A: Premium and Loss Ratio Summary

Line Of Business	Direct Premiums Earned	% of Total Premium	2000	
			Direct Losses Incurred	Pure Loss Ratio
Group Accident and Health				
Dental	\$2,493,000	100.00%	\$2,172,000	87.00%
<b>Total</b>	<b>\$2,493,000</b>	<b>100.00%</b>	<b>\$2,172,000</b>	<b>87.00%</b>

  

Line Of Business	Direct Premiums Earned	% of Total Premium	1999	
			Direct Losses Incurred	Pure Loss Ratio
Group Accident and Health				
Dental	\$2,401,000	100.00%	\$2,085,000	87.00%
<b>Total</b>	<b>\$2,401,000</b>	<b>100.00%</b>	<b>\$2,085,000</b>	<b>87.00%</b>

**Complaints**

The Office of the Commissioner Of Insurance (OCI) received 1 complaint against ADP between January 1, 1999 and October 31, 2001. A complaint is defined as 'a written communication received by the Commissioner’s Office that indicates dissatisfaction with an insurance company or agent.' The complaint received was related to claim handling.

**Grievances**

The company submitted annual grievance experience reports to OCI for 1999 and 2000 as required by s. Ins 18.06, Wis. Adm. Code. A grievance is defined as "any dissatisfaction with the provision of services or claims practices of an insurer offering a health benefit plan or administration of a health benefit plan by the insurer that is expressed in writing to the insurer by, or on behalf of, an insured."

### Grievance Categories

<b>Grievances</b>	<b>Plan Administration</b>	<b>Benefit Denial</b>	<b>Total</b>
2000	3	3	6
1999	1	4	5

## **II. PURPOSE AND SCOPE**

The targeted market conduct examination was conducted in order to verify compliance with the recommendations made by market conduct examiners in the financial examination report of ADP's business as of December 31, 1995. The examination also was conducted to determine whether the company's practices and procedures comply with the Wisconsin insurance statutes and rules.

The scope of the examination included a review of agent licensing and listing, plan administration, policyholder service and complaints, grievance procedures, advertising, provider agreements, and other activities related to or incidental to the business of insurance in Wisconsin. The examination focused on insurance transactions conducted during the period January 1, 1999 through October 31, 2001. In addition, the examination included a review of any subsequent events deemed important by the examiner-in-charge during the examination.

The report is prepared on an exception basis and comments on those areas of the company's operations where adverse findings were noted.

### III. SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS

The previous financial examination report, as adopted July 8, 1997, contained eight market conduct recommendations. ADP's compliance with the prior recommendations is noted below.

1. Provider Agreements—It is recommended that ADP submit to OCI, for review within 90 days of the adoption of the examination report, a copy of the amended provider agreements which should include language requiring the provider to identify complaints and grievances and to forward these to the plan for recording and resolution as required by s. Ins 3.52 (10) (g) 2, Wis. Adm. Code.

Action—Compliance

2. Marketing—It is recommended that ADP maintain at its home office a complete file containing every printed, published, or prepared advertisement of its policy disseminated in this or any other state as required by s. Ins 3.27 (28), Wis. Adm. Code.

Action—Compliance

3. Marketing—It is recommended that ADP file with OCI prior to or within 15 calendar days of the termination date a notice of termination of appointment of an individual intermediary agent as required by s. Ins 6.57 (2), Wis. Adm. Code.

Action—Noncompliance

4. Marketing—It is recommended that ADP provide an agent written notice of termination including a formal demand for the return of all indicia of agency as required by s. Ins 6.57 (2), Wis. Adm. Code.

Action—Noncompliance

5. Grievance and Complaints—It is recommended that ADP document in its grievance files that it acknowledges grievances within 10 days of receipt as required by s. Ins 3.52 (10) (f), Wis. Adm. Code.

Action—Compliance

6. Grievances and Complaints—It is recommended that ADP document in its grievance files that the grievances were resolved within 30 calendar days of receipt as required by s. Ins 3.52 (10) (c), Wis. Adm. Code.

Action - Compliance

7. Grievances and Complaints—It is recommended that ADP maintain documentation in its grievance files when it is unable to resolve grievances within 30 calendar days, that it notified in writing the person filing the grievance that it has not resolved the grievance, when



resolution may be expected, and the reason why additional time is needed as required by s. Ins 3.52 (10) (c), Wis. Adm. Code.

Action—Compliance

8. Grievances and Complaints—It is recommended that ADP maintain in a central location a record of all enrollee complaints which includes, at a minimum, the date received, complainant's name, nature of complaint, and how the complaint was resolved. This information should be maintained in a manner that can be reviewed by examiners at the time of examination as required by s. Ins 3.52 (10) (g) 4, Wis. Adm. Code.

Action—Noncompliance

## IV. CURRENT EXAMINATION FINDINGS

Effective March 1, 2000, the market conduct requirements previously contained in s. Ins 3.52, Wis. Adm. Code, were incorporated into subchapter III of ch. 9, Wis. Adm. Code.

Effective December 1, 2001, s. Ins 9.33, Wis. Adm. Code, was repealed and recreated as subchapter II of ch. 18, titled grievance procedures. This report references the cites in the administrative code as currently drafted.

### Grievances and Complaints

The examiners reviewed ADP's certificate of coverage, grievance policies and procedures, complaint process, grievance experience summaries for 1999 and 2000, the grievance log and the complaint log.

The examiners found that ADP was not in compliance with the prior examination recommendation that required that it maintain a complaint log in a manner that can be reviewed by examiners at the time of examination, as required by s. Ins 18.06 (1), Wis. Adm. Code. The company maintained a file for each calendar year that included all grievance documentation and a complaint log. The company combined complaints and grievances in a manner that made it difficult for the examiners to distinguish between complaints and grievances. For example, the examiners found that the company reported in error on its 1999 grievance experience summary a verbal complaint that did not meet the definition of grievance.

1. It is again recommended that ADP maintain in a central location a record of all enrollee complaints, which includes, at a minimum, the date received, complainant's name, nature of complaint, and final resolution of the complaint. This information should be maintained in a manner that can be reviewed by examiners at the time of examination, and should be maintained separate from the company's grievance files, as required by s. Ins 18.06 (1), Wis. Adm. Code.

The examiners found that ADP did not produce explanations of benefits (EOB) forms during the period under review. Instead, enrollees were notified of coverage decisions by the providers. Therefore, enrollees were not informed of their right to file a grievance each time a claim or benefit was denied. Section Ins 18.03 (2) (a), Wis. Adm. Code, provides that each

time an insurer offering a health benefit plan denies a claim or benefit, the health benefit plan shall notify the affected insured of the right to file a grievance.

2. It is recommended that ADP develop a written procedure whereby enrollees are notified of their right to file a grievance each time a claim or benefit is denied, and provide all enrollees for whom a claim or benefit was denied with a retroactive notice of their grievance rights, as required by s. Ins 18.03 (2) (a), Wis. Adm. Code.

The examiners found that ADP did not have a formal, written procedure for processing grievances. The company indicated that it uses the guidelines outlined in its certificate of coverage when processing grievances. Section Ins 18.03 (1) (b), Wis. Adm. Code, requires that insurers develop an internal grievance and expedited grievance procedure that shall be described in each policy and certificate issued to insureds.

3. It is recommended that ADP develop a written policy and procedure for handling grievances, as required by s. Ins 18.03 (1) (b), Wis. Adm. Code.

The examiners found that the grievance procedure language in ADP's certificate of coverage stated that urgent care grievances will be resolved within 4 business days of receipt. Section Ins 18.05, Wis. Adm. Code, provides that an expedited grievance shall be resolved as expeditiously as the insured's health condition requires but not more than 72 hours after receipt of the grievance. The examiners also found that the grievance language in ADP's certificate of coverage stated that grievances will be acknowledged within 10 days of receipt. Section Ins 18.03 (4), Wis. Adm. Code, provides that an insurer offering a health benefit plan shall, within 5 business days of receipt of a grievance, deliver or deposit in the mail a written acknowledgment to the insured or the insured's authorized representative confirming receipt of the grievance.

4. It is recommended that ADP revise the grievance language in its policies and certificates to state that urgent care grievances will be resolved within 72 hours of receipt, as required by s. Ins 18.05, Wis. Adm. Code.
5. It is recommended that ADP revise the grievance provision in its policies and certificates to state that grievances will be acknowledged within 5 business days of receipt, as required by s. Ins 18.03 (4), Wis. Adm. Code.

The examiners reviewed the 14 grievances ADP recorded during the period of review. The examiners found that seven of ADP's grievance files were not clearly resolved to the satisfaction of the grievant, yet the grievant was not notified of the right to appear before the grievance committee, and the grievances were not heard and decided by the grievance committee. Two of these grievances involved quality of care issues. Section Ins 18.03 (3) (a) and (b), Wis. Adm. Code, provides that the insurer shall provide the grievant with the opportunity to appear in person before the grievance committee, and that the insurer shall provide the grievant with a written notification of the time and place of the grievance committee meeting at least 7 calendar days before the meeting.

6. It is recommended that ADP provide all grievants with notice of the right to appear before the grievance committee, and that the company present all grievances not clearly resolved in favor of the grievant, including quality of care grievances, to the grievance committee for resolution, as required by s. Ins 18.03 (3), Wis. Adm. Code.

## **Managed Care**

The examiners reviewed ADP's managed care activities with respect to plan administration, utilization, and drug formularies and experimental treatments.

The examiners' review of ADP's plan administration activities included a review of the company's provider list, a sample of 47 provider agreements, and board of directors meeting minutes. The examiners found that the company's provider list was updated annually. Its policy was to maintain an individual provider agreement with each of its providers. Each provider agreement contained a clause that provided for the agreement to automatically renew each year, unless the company received notification within 180 days of the end of the contract year of the provider's desire to terminate their agreement.

The examiners found that three of the 47 provider files reviewed did not contain complete provider agreements. Four of the provider agreements were not signed by the provider, and one of the provider agreements was not signed by the company. None of the provider agreements reviewed were dated by the provider. In addition, two of the provider files reviewed contained provider agreements for providers other than those identified on the file. It appears that, as dental practices changed hands, or terminated or added providers, the company continued to keep all documentation in the existing file, even if the provider was no longer contracted with the company. Finally, one of the provider files reviewed did not contain a copy of an executed provider agreement. The company indicated that it was unable to locate a copy of the agreement. Section 601.42 (1g) (a), Wis. Stat., provides that the commissioner may require statements, reports, answers to questionnaires and other information, and evidence thereof, in whatever reasonable form the commissioner designates, and at such reasonable intervals as the commissioner chooses, or from time to time.

7. It is recommended that ADP maintain a copy of a complete and executed provider agreement, signed and dated by both the company and the provider, for each contracted provider, as required by s. Ins 6.80 (4) (b), Wis. Adm. Code.

8. It is recommended that ADP develop a procedure for maintaining accurate, current information on all providers in a manner that can be reviewed by examiners during an audit in order to comply with s. 601.42 (1g) (a), Wis. Stat.
9. It is recommended that ADP develop a written procedure regarding provider terminations, to ensure compliance with s. Ins 6.80 (4) (b), Wis. Adm. Code.

The examiners found that ADP did not have a procedure for notifying the medical examining board or appropriate credentialing board attached to the medical examining board of any disciplinary action taken against a participating provider, as required by s. 609.17, Wis. Stat.

10. It is recommended that ADP develop a written procedure for notifying the medical examining board or appropriate credentialing board attached to the medical examining board of any disciplinary action taken against a participating provider, as required by s. 609.17, Wis. Stat.

The examiners' review of ADP's utilization activities included its interrogatory response. The company indicated that, since ADP is a capitated plan, there is no incentive for its providers to overproduce. It further stated that average reimbursement is monitored to ensure that no providers are underproducing. However, the examiners found that ADP did not have a procedure in place to monitor the utilization of provider services to ensure that ADP providers are not underproducing. Section Ins 9.42 (6) (d), Wis. Adm. Code, provides that an insurer shall maintain a complete record of its utilization management procedures and policies.

11. It is recommended that ADP develop a written policy and procedure regarding utilization management, as required by s. Ins 9.42 (6) (d), Wis. Adm. Code.

The examiners' review of ADP's referral requirements and procedures included a review of its interrogatory response. The company indicated that it requires referrals for out-of-network endodontic treatment. However, the examiners found that ADP did not have any written procedures regarding referrals. Section 609.05 (3), Wis. Stat., provides that an LSHO may require an enrollee to obtain a referral from the primary provider designated to another participating provider prior to obtaining health care services from the participating provider.

12. It is recommended that ADP develop a written policy and procedure regarding referrals, to ensure compliance with s. 609.05 (3), Wis. Stat.

The examiners' review of ADP's activities regarding prescription devices and experimental treatments included a review of its interrogatory response and its certificate of coverage. The examiners found that ADP did not have a procedure whereby providers can request coverage of devices not normally covered by the plan, as required by s. 632.853, Wis. Stat. ADP indicated that its policies and certificates of coverage exclude coverage of experimental procedures. However, the examiners found that ADP did not have a written procedure in place for processing enrollee requests for coverage of experimental treatments, to ensure compliance with s. 632.855 (3), Wis. Stat. In addition, the examiners found that ADP did not disclose in its policies and certificates who is authorized to make a determination on experimental treatments, as required by s. 632.855 (2) (a), Wis. Stat.

13. It is recommended that ADP develop a written procedure whereby providers can request coverage of devices not normally covered by the plan, as required by s. 632.853, Wis. Stat.
14. It is recommended that ADP develop a written policy and procedure regarding enrollee requests for coverage of experimental treatments, to ensure compliance with s. 632.855 (3), Wis. Stat.
15. It is recommended that ADP revise its policies and certificates to provide the entity authorized to make experimental treatment determinations, as required by s. 632.855 (2) (a), Wis. Stat.

## **Marketing and Advertising**

The examiners reviewed ADP's advertising file. The file consisted of the company's yellow page telephone book advertisement and its standard brochure. The advertising file also included all A-Chip newsletters that contain information on the company's products. The A-Chip program is a benefit program for small employer groups in which the company participates. The company's advertising efforts are very limited, and it does not have a long-term marketing plan.

ADP indicated that it reviews on a monthly basis all materials distributed by the A-Chip program pertaining to ADP advertisements. However, the examiners found that ADP did not have a formal procedure in place for ensuring that all A-Chip and other advertisements are included in the advertising file. Section Ins 3.27 (28), Wis. Adm. Code, provides that each insurer shall maintain at its home or principal office a complete file containing every printed, published or prepared advertisement of its policies hereafter disseminated in this or any other state. The examiners also found that ADP's advertising file did not include for each advertisement a notation indicating the manner and extent of distribution, and the form number of any policy form advertised, as required by s. Ins 3.27 (28), Wis. Adm. Code.

16. It is recommended that ADP develop a written policy and procedure to ensure that records of all advertisements are maintained in the company's advertising file for a period of 4 years or until the filing of the next regular examination report on the insurer, whichever is longer, as required by s. Ins 3.27 (28), Wis. Adm. Code.
17. It is recommended that ADP include in its advertising file a notation for each advertisement indicating the manner and extent of distribution, and the form number of any policy form advertised, as required by s. Ins 3.27 (28), Wis. Adm. Code.

ADP's response to the marketing, sales, and advertising interrogatory stated that agents do not prepare their own marketing materials. However, the marketing agreements between ADP and the contracted agencies contained a provision that allows agents to prepare their own marketing materials and submit them to the company for approval prior to use. The examiners



found that ADP did not have a formal procedure for reviewing marketing materials developed by agents, to ensure compliance with s. Ins 3.27, Wis. Adm. Code.

18. It is recommended that the company develop a written policy and procedure for reviewing marketing materials developed by agents prior to use, to ensure compliance with s. Ins 3.27, Wis. Adm. Code.

## **Producer Licensing**

The examiners reviewed ADP's interrogatory response, a list of all agents listed with the company during the period of review, and sample marketing agreements between ADP and its agents. The examiners also requested a sample of 50 terminated and listed agent files.

In response to the examiners' request for 50 agent files, the company produced materials related to 30 agents. The company also provided a loose file identified as "Agent Licensing Info" that contained copies of listing and termination forms, agent licenses, and miscellaneous correspondence unmatched to the information and documents contained in the individual agent files. The examiners found that the documentation produced was insufficient to document compliance with s. 601.42 (1g), Wis. Stat., which provides that the commissioner may require statements, reports, answers to questionnaires and other information, and evidence thereof, in whatever reasonable form the commissioner designates, and at such reasonable intervals as the commissioner chooses, or from time to time.

19. It is recommended that ADP develop a procedure for maintaining accurate information on all agents in a manner that can be reviewed by examiners during an audit in order to comply with s. 601.42 (1g) (a), Wis. Stat.

The examiners' review of the 30 agent files provided by ADP revealed that 24 of the files did not include a copy of the agent's license. None of the agent files reviewed included copies of the OCI form 11-001 (agent listing form) or the OCI form 11-011 (agent termination form). The examiners found that the absence of these documents made it impossible to determine whether the agents were licensed, whether OCI received appropriate notice of the listing and, when applicable, whether OCI received notice of termination. The documentation produced was insufficient to document compliance with s. Ins 6.80 (4) (b), Wis. Adm. Code, which requires that insurers maintain records of operations reasonably related to insurance operations for a period of 3 years.

20. It is recommended that ADP maintain all records of operation reasonably related to insurance operations, including records related to agent listings and terminations, for a period of 3 years, as required by s. Ins 6.80 (4) (b), Wis. Adm. Code.

The examiners found that ADP was not in compliance with the prior examination recommendation that required that it notify OCI of any agent terminations. The examiners were unable to reconcile the agent list provided by ADP with the agent names on the OCI licensing system. The examiners found that ADP terminated agents during the period of review, but failed to notify OCI of the terminations prior to or within 15 calendar days of the termination date, as required by s. Ins 6.57 (2), Wis. Adm. Code. The examiners also found that ADP failed to comply with the prior examination recommendation that required that it send its terminated agents a written notice of termination, including a formal demand for the return of all indicia of agency, as required by s. Ins 6.57 (2), Wis. Adm. Code. ADP provided the examiners with a form letter for terminating agents, but the examiners could not document that the form letter was actually sent to terminated agents. The examiners found that ADP did not have written procedures for terminating agents, to ensure compliance with the termination requirements provided under s. Ins 6.57 (2), Wis. Adm. Code. The examiners also found that ADP did not have a written procedure to follow when agents are revoked or canceled by OCI for failure to comply with continuing education requirements, to ensure compliance with s. Ins 6.57 (5), Wis. Adm. Code.

21. It is again recommended that ADP file with OCI prior to or within 15 calendar days of the termination date a notice of termination of appointment of an individual intermediary agent as required by s. Ins 6.57 (2), Wis. Adm. Code.
22. It is again recommended that ADP provide an agent written notice of termination including a formal demand for the return of all indicia of agency, as required by s. Ins 6.57 (2), Wis. Adm. Code.
23. It is recommended that ADP develop written procedures regarding agent terminations to ensure compliance with s. Ins 6.57 (2), Wis. Adm. Code.
24. It is recommended that the company develop a procedure to follow when agents are revoked or canceled by OCI for failure to comply with continuing education requirements to ensure compliance with s. Ins 6.57 (5), Wis. Adm. Code.

The examiners found that ADP did not have written procedures regarding the listing of agents, to ensure compliance with the listing requirements provided under s. Ins 6.57 (1), Wis. Adm. Code. In addition, the examiners found that ADP did not have written procedures for ensuring that its agents are properly licensed, to ensure compliance with the requirements provided under s. Ins 6.57 (5), Wis. Adm. Code. ADP indicated that agents are required to send a copy of their license when they submit a new group to ADP for the first time, and that it checks the status of the license at that time to ensure that it is current. However, the examiners were unable to document that this is the case.

The examiners requested from ADP a listing of all agents licensed and appointed in Wisconsin at any time during the examination period. The data provided by ADP was compared with that on the OCI licensing system. The data match resulted in the examiners identifying several discrepancies that were reported to the company. The examiners found that 25 of the agents that were included on the ADP listed agents list provided by the company were not listed with the company in the OCI licensing system. In addition, 8 of the agents ADP indicated were listed were not shown as active agents in the OCI licensing system.

25. It is recommended that ADP develop written procedures regarding agent listings to ensure that its agent list is accurate and that the OCI is timely notified of agent listings, as required by s. Ins 6.57 (1), Wis. Adm. Code.

26. It is recommended that ADP develop a written procedure for ensuring that its agents are properly licensed, as required by s. Ins 6.57 (5), Wis. Adm. Code.

The marketing agreements between ADP and the agencies appear to indirectly delegate responsibility for the maintenance of agent related records to the agencies. However, the agreements do not provide specific requirements with regard to the maintenance of documentation regarding agent listings and terminations. In addition, the agreements do not provide specific requirements regarding the reporting of agent listings and terminations to ADP. The examiners found that ADP did not have a procedure for monitoring agent records

maintained by the agencies, nor for ensuring that it had access to complete records on all of its agents and that it is timely notified of changes to agent records in order to document its oversight over the licensing and listing of its agents and ensure compliance with s. Ins 6.57, Wis. Adm. Code.

27. It is recommended that ADP amend its marketing agreements to include specific requirements with regard to agent records to ensure compliance with s. Ins 6.57, Wis. Adm. Code.

28. It is recommended that ADP develop a procedure for monitoring the agent records maintained by the agencies, for ensuring that it has access to complete records on all of its agents, and for ensuring that it is timely notified of changes to agent records to document its oversight over the licensing and listing of its agents and ensure compliance with s. Ins 6.57, Wis. Adm. Code.

## **VI. CONCLUSION**

The prior examination report contained 8 market conduct recommendations in the areas of provider agreements, marketing and sales, and grievances and complaints. The company was found to be out of compliance with a total of 3 recommendations from the prior examination report. In addition to the repeat recommendations, 25 new recommendations were written in the areas of grievances and complaints, managed care, marketing and advertising, and producer licensing.

## VII. SUMMARY OF RECOMMENDATIONS

### Grievances and Complaints

1. It is again recommended that ADP maintain in a central location a record of all enrollee complaints which includes, at a minimum, the date received, complainant's name, nature of complaint, and how the complaint was resolved. This information should be maintained in a manner that can be reviewed by examiners at the time of examination, and should be maintained separate from the company's grievance files, as required by s. Ins 18.06 (1), Wis. Adm. Code.
2. It is recommended that ADP develop a written procedure whereby enrollees are notified of their right to file a grievance each time a claim or benefit is denied, and provide all enrollees for whom a claim or benefit was denied with a retroactive notice of their grievance rights as required by s. Ins 18.03 (2) (a), Wis. Adm. Code.
3. It is recommended that ADP develop a written policy and procedure for handling grievances, as required by s. Ins 18.03 (1) (b), Wis. Adm. Code.
4. It is recommended that ADP revise the grievance language in its policies and certificates to state that urgent care grievances will be resolved within 72 hours of receipt, as required by s. Ins 18.05, Wis. Adm. Code.
5. It is recommended that ADP revise the grievance provision in its policies and certificates to state that grievances will be acknowledged within 5 business days of receipt, as required by s. Ins 18.03 (4), Wis. Adm. Code.
6. It is recommended that ADP provide all grievants with notice of the right to appear before the grievance committee, and that the company present all grievances not clearly resolved in favor of the grievant, including quality of care grievances, to the grievance committee for resolution, as required by s. Ins 18.03 (3), Wis. Adm. Code.

### Managed Care

7. It is recommended that ADP maintain a copy of a complete provider agreement, signed and dated by both the company and the provider, for each contracted provider, as required by s. Ins 6.80 (4) (b), Wis. Adm. Code.
8. It is recommended that ADP develop a procedure for maintaining accurate, current information on all providers in a manner that can be reviewed by examiners during an audit in order to comply with s. 601.42 (1g) (a), Wis. Stat.
9. It is recommended that ADP develop a written procedure regarding provider terminations, to ensure compliance with s. Ins 6.80 (4) (b), Wis. Adm. Code.
10. It is recommended that ADP develop a written procedure for notifying the medical examining board or appropriate credentialing board attached to the medical examining board of any disciplinary action taken against a participating provider, as required by s. 609.17, Wis. Stat.

11. It is recommended that ADP develop a written policy and procedure regarding utilization management, as required by s. Ins 9.42 (6) (d), Wis. Adm. Code.
12. It is recommended that ADP develop a written policy and procedure regarding referrals, to ensure compliance with s. 609.05 (3), Wis. Stat.
13. It is recommended that ADP develop a written procedure whereby providers can request coverage of devices not normally covered by the plan, as required by s. 632.853, Wis. Stat.
14. It is recommended that ADP develop a written policy and procedure regarding enrollee requests for coverage of experimental treatments, to ensure compliance with s. 632.855 (3), Wis. Stat.
15. It is recommended that ADP revise its policies and certificates to provide the entity authorized to make experimental treatment determinations, as required by s. 632.855 (2) (a), Wis. Stat.

### **Marketing and Advertising**

16. It is recommended that ADP develop a written policy and procedure to ensure that records of all advertisements are maintained in the company's advertising file for a period of three years, as required by s. Ins 3.27 (28), Wis. Adm. Code.
17. It is recommended that ADP include in its advertising file a notation for each advertisement indicating the manner and extent of distribution, and the form number of any policy form advertised, as required by s. Ins 3.27 (28), Wis. Adm. Code.
18. It is recommended that ADP develop a written policy and procedure for reviewing marketing materials developed by agents prior to use, to ensure compliance with s. Ins 3.27, Wis. Adm. Code.

### **Producer Licensing**

19. It is recommended that ADP develop a procedure for maintaining accurate information on all agents in a manner that can be reviewed by examiners during an audit in order to comply with s. 601.42 (1g) (a), Wis. Stat.
20. It is recommended that ADP maintain all records of operation reasonably related to insurance operations, including records related to agent listings and terminations, for a period of 3 years, as required by s. Ins 6.80 (4) (b), Wis. Adm. Code.
21. It is again recommended that ADP file with OCI prior to or within 15 calendar days of the termination date a notice of termination of appointment of an individual intermediary agent as required by s. Ins 6.57 (2), Wis. Adm. Code.
22. It is again recommended that ADP provide an agent written notice of termination including a formal demand for the return of all indicia of agency, as required by s. Ins 6.57 (2), Wis. Adm. Code.



23. It is recommended that ADP develop written procedures regarding agent terminations to ensure compliance with s. Ins 6.57 (2), Wis. Adm. Code.
24. It is recommended that ADP develop a procedure to follow when agents are revoked or canceled by OCI for failure to comply with continuing education requirements to ensure compliance with s. Ins 6.57 (5), Wis. Adm. Code.
25. It is recommended that ADP develop written procedures regarding agent listings to ensure that its agent list is accurate and that the OCI is timely notified of agent listings, as required by s. Ins 6.57 (1), Wis. Adm. Code.
26. It is recommended that ADP develop a written procedure for ensuring that its agents are properly licensed, as required by s. Ins 6.57 (5), Wis. Adm. Code.
27. It is recommended that ADP amend its marketing agreements to include specific requirements with regard to agent records to ensure compliance with s. Ins 6.57, Wis. Adm. Code.
28. It is recommended that ADP develop a procedure for monitoring the agent records maintained by the agencies, for ensuring that it has access to complete records on all of its agents, and for ensuring that it is timely notified of changes to agent records to document its oversight over the licensing and listing of its agents and ensure compliance with s. Ins 6.57, Wis. Adm. Code.

### VIII. ACKNOWLEDGEMENT

The courtesy and cooperation extended during the course of the examination by the officers and employees of the company is acknowledged.

In addition to the undersigned, the following representatives of the Office of the Commissioner of Insurance, State of Wisconsin, participated in the examination.

**Name**

Pamela Ellefson

**Title**

Senior Insurance Examiner

Respectfully submitted,

Stephanie Cook  
Examiner-in-Charge