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WISCONSIN COMMISSIONER
OF INSURANCE

February 16, 2015

Ms. Cari Lee
Director, Bureau of Market Regulation
State of Wisconsin
Office of the Commissioner of Insurance
125 South Webster Street, PO Box 873
Madison, WI 53707-7873

RE: Care-Plus Dental Plans, Inc. – Market Conduct Examination - 2012

Dear Ms. Lee:

This letter is in response to your November 19, 2014 letter regarding the notice of adoption and filing of the examination report for the Market Conduct Examination completed in April 2012.


The actions taken to comply with the State of Wisconsin’s recommendations are attached. The actions include the implementation plan of action and implementation date.

In addition, every board member of Care-Plus Dental Plans has received a copy of the adopted report. A signed certificate indicating the completion of this requirement, pursuant to s. 601.44, Wis. Stat., has been forwarded to the Office of the Commissioner of Insurance under separate cover.

Care-Plus looks forward to working with the Office of the Commissioner of Insurance to ensure we are in compliance with all state statutes and Administrative Codes.

If you need additional information regarding this response, please contact Colleen Sorenson at (414) 778-5217 or csorenson@dentalassociates.com. Thank you for your recommendations and the opportunity to respond.

Sincerely,


Anthony Yastardis
Vice President
Care-Plus Dental Plans, Inc.

AV:cmp
Enclosure



RECOMMENDATIONS AND ACTIONS TAKEN

Grievances

1. It is recommended that the company update its grievance procedure to include a process for handling e-mail grievances to ensure compliance with s.632.83, Wis. Stat.

Policy & Procedure No: CP200, Right of Insured to File a Grievance, has been revised to include handling grievances received by email to ensure compliance with s.632.83, Wis. Stat.

Revised date: August 1, 2013

2. It is recommended that the company, within five days of receipt of a grievance, send a written acknowledgment to comply with s. Ins. 18.03 (4), Wis. Adm. Code.

Policy & Procedure No: CP200, Right of Insured to File a Grievance, has been updated, and now includes procedures for sending a written acknowledgement to the grievant within five days of receiving a grievance to ensure compliance with the above Administrative Code.

Revised date: August 1, 2013

3. It is recommended that the company update its internal written grievance procedures to follow the procedures written in its policies and to comply with s. Ins. 18.03 (3), Wis. Adm. Code.

Policy & Procedure No: CP200, Right of Insured to File a Grievance, this internal grievance procedure has been revised to ensure company policies are followed and that Care-Plus complies with state grievance procedures and the Wisconsin Administrative Code noted above.

Revised date: August 1, 2013

4. It is recommended that the company develop a policy and procedure for notifying insureds of the right to file a grievance in order to document compliance with s. Ins 18.03 (2), Wis. Adm. Code.

Policy & Procedure No: CP200, Right of Insured to File a Grievance, has been updated to ensure compliance with state Administrative Code, by notifying insured of their right to file a grievance.

Revised date: August 1, 2013

Policyholder Service and Complaints

5. It is recommended that the company develop a policy and procedure for maintaining a complaint log in order to document compliance with s. Ins. 18.06 (1), Wis. Adm. Code.

Policy & Procedure No: CP210, Patient Complaint Report and Log, has been created as recommended to ensure compliance in maintaining a complaint log as noted in the above state Administrative Code.

Effective date: August 1, 2014

Claims

6. It is recommended that the company develop a procedure to determine if interest is due and how interest will be calculated for emergency claims to comply with s. 628.46, Wis. Stat., and s. Ins. 6.11, Wis. Adm. Code.

Policy & Procedure No: CP300, Determining if Interest is Due on an Emergency Claim, has been created to determine if interest is due and how to calculate it for emergency claims, in order to be compliant with the above state statute and Administrative Code. Implementation date: August 30, 2014

Managed Care

7. It is recommended that the company develop a process for maintaining a complete record of the credentialing policies and procedures and a credentialing plan to comply with s. Ins. 9.42 (6)(c), Wis. Adm. Code.

Although CarePlus is not subject to the requirements of Ins. 9¹, Policy & Procedure No. OPS 127 Credentialing/Privileging Policy for Dental Providers, was in effect as of November 16, 2011 and revised consistent with the Administrative Code provision cited. Implementation date: November 16, 2011 Revised date: August 27, 2013

Claims

8. It is recommended that the company cease utilizing the cold call gift certificates to comply with s. 628.34 (2), Wis. Stat.

Effective July 31, 2013, Care-Plus Dental Plans has ceased utilizing cold call gift certificates in compliance with s. 628.34 (2), Wis. Stat.

Producer Licensing

9. It is recommended that the company develop a procedure for reconciling the Annual Billing Statement to make sure each agent is properly appointed in order to document compliance with s. Ins 6.57, Wis. Adm. Code.

Policy & Procedure No: CP270, Reconciling the Annual OCI Billing Statement, has been created to ensure that agents are appointed and terminated appropriately and to comply with the state Administrative Code listed above. Implementation date: August 30, 2013

10. It is recommended that the company implement a procedure for notification to OCI of agent appointment and agent termination to comply with s. Ins 6.57, Wis. Adm. Code.

Policy & Procedure No: CP260, Notifications to the Office of the Commissioner of Insurance, has been created. The procedure outlines the necessary steps to be followed to ensure notification to OCI regarding appointments and terminations is completed and in compliance with state Administrative Code noted above. Implementation date: August 30, 2013

11. It is recommended that the company develop a termination letter to comply with s. Ins 6.57 (2), Wis. Adm. Code, and that the agent termination letter include a formal demand for the return of all indicia of agency to comply with s. 628.40, Wis. Adm. Code.

Policy & Procedure No: CP280, Agent Termination Letter, was created and implemented. All terminated agents receive a termination letter, which includes a request to return all indicia of the agency. This policy is to ensure compliance with the state Administrative Codes noted above.

Implementation date: January 1, 2014

12. It is recommended that the company utilize licensed and appointed insurance agents who sell the individual plans in the Dental Associates' clinic to comply with s. Ins 6.57 (5), Wis. Adm. Code, and s. 628.03 (1), Wis. Stat.

Based on previous communication with OCI Care-Plus Dental Plans is not in agreement with the above recommendation (see s. 628.02 (b) (1)). However, Care-Plus Dental Plans and Dental Associates are moving forward to ensure at least one Dental Associates employee, at each clinic, are licensed and appointed with the Office of the Commissioner of Insurance. Currently, several Dental Associates clinics have licensed agents on the premises. We anticipate all clinics will have at least one agent by the end of 2015 in order to satisfy the states' recommendation regarding the Administrative Code and state statute listed above.

Implementation date: January 1, 2015

Company Operations and Management

13. It is recommended that the company develop an overall compliance plan identifying staff, committee and board roles in ensuring compliance oversight of the plan.

Policy & Procedure No: CP400, Company Compliance Plan, was written as recommended in the examination report completed in 2012. The company compliance plan includes the Care-Plus staff, Care-Plus board members, grievance committee, grievance procedures and board member's responsibilities.

Implementation date: October 31, 2014

ⁱ Chapter Ins 9 of the Wisconsin Administrative Code does not apply to limited scope dental if provided under a separate policy or certificate. In 2006, Ins 9 was amended to include the following scope statement: "This chapter applies to all insurers offering a defined network plan, a preferred provider plan or a limited service health organization plan *except to an insurer offering a preferred provider plan that also meets the subject matter of s. 632.745 (11) (b) 9., Stats.*" Ins. 9.015, Wis. Adm Code. (emphasis added). The subject matter referred to in s. 632.745 (11) (b) 9., Stats. includes limited scope dental if provided under a separate policy or certificate. As indicated previously, Care-Plus is excluded from the definition of defined benefit plan under § 609.01(1b), Wis. Stats. because of the exclusion for limited scope dental if provided under a separate policy or certificate. Similarly, Care-Plus is not subject to the provisions of Ins. Chapter 9 because it offers limited scope dental under a separate policy or certificate. This change to the rule was prompted by the Legislature's suspension of the prior rule due to its treatment of limited-scope dental or vision and preferred provider plans.