

Case 14840

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER:

IN THE MATTER OF:)
)
CareSource Indiana, Inc.)
)
230 North Main Street)
Dayton, Ohio 45402)
)
NAIC ID: 10142)

REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement (“Agreement”) is executed between the Indiana Department of Insurance (the “Department”) and CareSource Indiana, Inc. (“CareSource”).

I. RECITALS

A. CareSource is an Indiana-domiciled corporation holding a certificate of authority from the Department to engage in business as a health maintenance organization.

B. CareSource offers individual health insurance coverage on the federally facilitated exchange for the State of Indiana (“Exchange”). The products offered on the Exchange are also available outside the Exchange upon the request of an individual.

C. In September 2015 CareSource transitioned its billing function from an outside vendor to an internal system. CareSource experienced two issues related to the premium payments due in November (the “November Premium Payment”).

1. After the conversion of data from the vendor, CareSource identified certain subscriber accounts that appeared to have inconsistent data. CareSource began an internal review of such subscribers and did not prepare

invoices in October for these subscribers. These subscribers did not receive an invoice for the November Premium Payment.

2. CareSource encountered an issue with the monthly invoices which were processed on October 8, 2015, for the November Premium Payment. For certain subscribers, the information contained within the billing system had correct amounts; however, the PDF versions of the invoices that were provided to the print vendor incorrectly displayed an entry of \$0 for the November Premium Payment. These subscribers received an invoice that indicated \$0 for the November Premium Payment.

D. On November 9, 2015, CareSource spoke via telephone with representatives of the Department to initiate a self-reporting of the billing issues with the November Premium Payment.

E. On November 17, 2015, representatives of CareSource attended an in-person meeting at the Department regarding these issues.

F. On November 19, 2015, the Department authorized CareSource to send invoices for the premium payment due in December 2015 to: (1) those subscribers who were not affected by these issues; and (2) any affected subscribers who, after contacting CareSource by telephone or the CareSource online payment portal, paid the correct amount for the November Premium Payment.

G. This Agreement sets forth the required corrective actions which CareSource has taken and will take pursuant to this Agreement to address the billing issues related to the November Premium Payment.

H. The Department agrees that this Agreement fully resolves any and all claims with

respect to the billing issues related to the November Premium Payment.

II. AGREEMENT

1. CareSource will not report any Indiana subscriber who did not receive an invoice for the November Premium Payment or received a \$0 invoice for the November Premium Payment (collectively, the “Affected Subscribers”) to a credit reporting agency for failure to pay the November Premium Payment.

2. CareSource will create a toll-free telephone number dedicated to issues related to the November Premium Payment and ensure individuals staffing the number are trained on the provisions of this Agreement.

3. For Affected Subscribers, CareSource will waive any amounts due for the November Premium Payment that as of November 30, 2015, had not been paid.

4. For any Affected Subscriber who had a balance due prior to the November Premium Payment, any payment received prior to November 30, 2015, will be credited to the outstanding balance before being applied to the November Premium Payment.

5. CareSource will provide a cover letter, approved by the Department, along with the invoice for the December premium payment, as soon as practicable after execution of this Agreement.

6. CareSource shall pay an administrative fee in the amount of five thousand dollars (\$5,000) to the Department.

7. CareSource understands and waives all rights to a hearing on this matter.

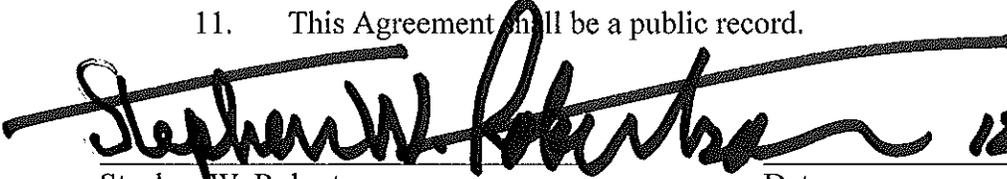
8. CareSource waives all rights to judicial review of this Agreement.

9. This Agreement fully settles and resolves all issues related to the November Premium Payment. This Agreement supersedes all prior agreements, whether written or oral,

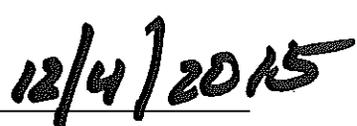
between the Department and CareSource with respect to its subject matter and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended, supplemented or otherwise modified except by a written agreement that identifies itself as an amendment to this Agreement executed by the parties.

10. The Laws of the State of Indiana shall govern the creation, interpretation, construction and enforcement of and the performance under this Agreement, as well as any and all claims arising out of or relating in any way to this Agreement, notwithstanding the choice of law rules of any other state or jurisdiction. In addition, the Parties agree that any disputes regarding this Agreement shall be heard in the courts of Marion County Indiana.

11. This Agreement shall be a public record.



Stephen W. Robertson
Commissioner
Indiana Department of Insurance



Date



Steven Smitherman
Executive Director
CareSource Indiana, Inc.

12/04/2015

Date