

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

In the Matter of **Health Net Health Plan of Oregon, Inc.**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 10-08-001

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Health Net Health Plan of Oregon, Inc. (Health Net).

Health Net desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

Health Net waives all rights relative to an administrative hearing and judicial review thereof.

Health Net stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

Health Net has been licensed in Oregon as a domestic health care service contractor since 6/22/89. Health Net's last recorded principal business address is located in Tigard, Oregon.

Filed Prompt Pay Health Claim Report Containing Extraneous, Incorrect, or Omitted Information

Health Net is subject to enforcement action pursuant to OAR 836-080-0085(4)(b) and (c) because of the following circumstances. ORS 743.911(1) requires an insurer to pay a clean claim, as defined in OAR 836-080-0080(1), under a health benefit plan, as defined in ORS 743.730(19), within 30 days after receiving the claim or after receiving any required additional information whichever is later. ORS 743.911(5) requires an insurer to file with the director an annual report of its compliance with ORS 743.911. The report is referred to as a prompt pay report. ORS 750.055(1)(e) makes, among other laws, ORS 743.911 applicable to health care service contractors. OAR 836-080-

0085(3) requires the director to select a statistically valid sample of all claims previously reported by the insurer pursuant to OAR 836-080-0085(2)(c), and send to the insurer a list of the sampled claims. OAR 836-080-0085(4) requires an insurer to file with the director a report containing certain information about the sampled claims. OAR 836-080-0085(4)(b) and (c) require an insurer to include in its report of sampled claims the date on which the insurer requested and received, respectively, additional information about each claim. On 4/30/10, Health Net filed its report of sampled claims for 2009. Health Net did not include in its report of sampled claims for 2009 the date on which Health Net requested and received additional information about 37 claims.

Action

Pursuant to ORS 731.988(1), Health Net is assessed a civil penalty of \$4,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, Oregon 97301-3880; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be *received* by the Insurance Division by the date of the final order.

Dated August 18, 2010

/s/ Chris Ellertson
[Signature of Representative]
Chris Ellertson
[Printed Name of Representative]
President
[Printed Title of Representative]

Health Net Health Plan of Oregon, Inc.

FINAL ORDER

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated September 14, 2010

/s/ Cory Streisinger
Cory Streisinger
Director
Department of Consumer and Business Services