

is submitted to an insurer by a provider on behalf of an enrollee, the insurer shall pay a clean claim or deny the claim not later than 30 days after the date on which the insurer receives the claim. If an insurer requires additional information before payment of a claim, not later than 30 days after the date on which the insurer receives the claim, the insurer shall notify the enrollee and the provider in writing and give the enrollee and the provider an explanation of the additional information needed to process the claim. The insurer shall pay a clean claim or deny the claim not later than 30 days after the date on which the insurer receives the additional information.” ORS 750.055(1)(e) makes, among other laws, ORS 743.911 applicable to health care service contractors.

From 4/1/08 to 1/31/11, Providence received 9,814 claims, for benefits under health benefit plans issued by Providence to or covering persons residing in Oregon, and required additional information before deciding whether to pay or deny the claims. Providence sent a written notice to the enrollee in all of the claims and to the provider in almost all of the claims. However, the notices that were sent did not explain what additional information was required, although Providence typically called and explained to the enrollee or provider what additional information was required.

Action

Pursuant to ORS 731.988(1), Providence is assessed a civil penalty of \$20,000. 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 April 28, 2011

/s/ Carrie Smith

[Signature of Representative]

Carrie Smith

[Printed Name of Representative]

Director Regulatory Compliance and Government Affairs

[Printed Title of Representative]

Providence Health Plan

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 May 10, 2011

/s/ Scott L. Harra
Scott L. Harra
Acting Director
Department of Consumer and Business Services

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