

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

AETNA BETTER HEALTH OF MICHIGAN, INC.
NAIC No. 12193

Enforcement Case No. 17-14736

Respondent.

_____ /

Issued and entered
on Sept 15, 2017
by Teri L. Morante
Chief Deputy Director

ORDER ACCEPTING STIPULATION

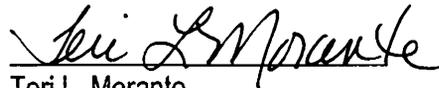
Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS) in this matter, the Chief Deputy Director finds and concludes that:

1. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of DIFS.
2. The Chief Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Michigan Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
3. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
4. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
5. All applicable provisions of the APA have been met.
6. Aetna Better Health of Michigan, Inc. (Respondent) violated Section 3529(6) of the Code, MCL 500.3529(6) by executing provider agreements before seeking approval by DIFS or filing the agreements with DIFS.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

7. Respondent shall immediately cease and desist from violating Section 3529(6) of the Code, MCL 500.3529(6).

8. Respondent shall pay to the State of Michigan, through DIFS, a civil fine of One Thousand Dollars (\$1,000.00). Upon acceptance of this Order, DIFS will send an invoice to Respondent and Respondent shall pay the civil fine by the due date printed on the invoice.
9. Respondent shall not execute standard contract formats proposed for use with its affiliated providers and any substantive changes to those formats¹ before Respondent submits the contract formats or changes to the contract formats to DIFS for approval and receives DIFS' approval.
10. The Chief Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Code. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.


Teri L. Morante
Chief Deputy Director

¹ Section 3529(6) of the Code, MCL 500.3529(6), states "[a]s used in this subsection, 'substantive changes to contract formats' means a change to a provider contract that alters the method of payment to a provider, alters the risk assumed by each party to the contract, or affects a provision required by law."

RECEIVED

SEP 12 2017

DIFS/OGC

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

AETNA BETTER HEALTH OF MICHIGAN, INC.
NAIC No. 12193

Enforcement Case No. 17-14736

Respondent.

STIPULATION TO ENTRY OF ORDER

Aetna Better Health of Michigan, Inc. (Respondent) stipulates to the following:

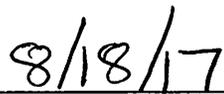
1. On or about June 15, 2017, the Department of Insurance and Financial Services (DIFS) served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
2. Specifically, the NOSC contained allegations that Respondent violated Section 3529(6) of the Code, MCL 500.3529(6).
3. Respondent and DIFS conferred for the purpose of resolving this matter.
4. Respondent exercised the right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
5. At all pertinent times, Respondent was a Health Maintenance Organization pursuant to the Code.
6. All parties have complied with the procedural requirements of the APA and the Code.
7. Respondent agrees that it will cease and desist from operating in a manner that violates Section 3529(6) of the Code, MCL 500.3529(6).
8. Respondent agrees that it will not execute standard contract formats proposed for use with its affiliated providers and any substantive changes to those formats¹ before Respondent submits the contract formats or changes to the contract formats to DIFS for approval and receives DIFS' approval.

¹ Section 3529(6) of the Code, MCL 500.3529(6), states "[a]s used in this subsection, 'substantive changes to contract formats' means a change to a provider contract that alters the method of payment to a provider, alters the risk assumed by each party to the contract, or affects a provision required by law."

9. Respondent agrees to pay to the State of Michigan, through DIFS, a civil fine of One Thousand Dollars (\$1,000.00). Respondent further agrees to pay the fine by the due date printed on the invoice.
10. Respondent has had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and have the same reviewed by legal counsel.
11. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
12. Respondent understands and agrees that the Chief Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Chief Deputy Director accepts the Stipulation to Entry of Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
13. It is further stipulated that failure to comply with the Order of the Director accepting this settlement, by failing to pay the civil fine as set forth above, shall result in the commencement of an action to suspend all certificates of authority held under the Code by Respondent.
14. It is further stipulated that the amount of fines and/or fees has been negotiated in return for the avoidance of further proceedings and certain promises and conditions, one of which is the timely payment of said fines and/or fees. Should Respondent fail to pay the fines and/or fees in accordance with the terms of this Stipulation and the Director's Order, the parties agree that an action will commence to determine if the Respondent has, in fact, failed to pay, and, if so, Respondent agrees that the fines and/or fees will immediately increase to the maximum amount allowed under the Code, shall be immediately due in full, and Respondent's certificates of authority shall be revoked.



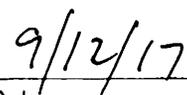
Authorized Representative of
Aetna Better Health of Michigan, Inc.
System ID No. NAIC No. 12193


Date

DIFS Staff approve this Stipulation and recommend that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.



William R. Peattie (P48004)
DIFS Staff Attorney


Date