

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Grand Valley Health Plan
NAIC No. 95453

Enforcement Case No. 11-11198

Respondent
_____ /

Issued and entered
on 4/13 2011
by Stephen R. Hilker
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDING OF FACTS AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. Grand Valley Health Plan (Grand Valley) is a licensed Health Maintenance Organization in the State of Michigan.
2. On January 11, 2011, Grand Valley filed with the Office of Financial and Insurance Regulation (OFIR) an Urgent Care rider.
3. Grand Valley knew or had reason to know that Section 3525(1) of the Insurance Code of 1956, as amended, (Code), MCL 500.3525(1), provides that:

(1) Except as otherwise provided in subsection (2), if a health maintenance organization desires to change a contract it offers to enrollees or desires to change a rate charged, a copy of the proposed revised contract or rate shall be filed with the commissioner and shall not take effect until 60 days after the filing, unless the commissioner approves the change in writing before the expiration of 60 days after the filing. If the commissioner considers that the proposed revised contract or rate is illegal or unreasonable in relation to the services provided, the commissioner, not more than 60 days after the proposed revised contract or rate is filed, shall notify the organization in writing, specifying the reasons for disapproval or for approval with modifications. For an approval with modifications, the notice shall specify what modifications in the filing are required for approval, the reasons for the modifications, and that the filing becomes

effective after the modifications are made and approved by the commissioner. The commissioner shall schedule a hearing not more than 30 days after receipt of a written request from the health maintenance organization, and the revised contract or rate shall not take effect until approved by the commissioner after the hearing. Within 30 days after the hearing, the commissioner shall notify the organization in writing of the disposition of the proposed revised contract or rate, together with the commissioner's findings of fact and conclusions.

4. On January 11, 2011, Grand Valley advised OFIR that they offered the Urgent Care (UC40) rider to an employer group with an implementation date of January 1, 2011.
5. OFIR did not approve the UC 40 rider until January 31, 2011.
6. Grand Valley offered and began using the UC 40 rider before the rider was approved by OFIR or the 60 day statutory timeframe had expired.
7. Grand Valley is subject to a penalty under Section 150 of the Code, MCL 500.150 for violating Section 3525(1) of the Code, MCL 500.3525(1).

B. ORDER

Based upon the findings of fact and conclusions of law above, and Respondent's stipulation to said facts, it is hereby ORDERED that:

1. Respondent shall immediately cease and desist from operating in a manner that violates Section 3525(1) of the Code, MCL 500.3525(1).
2. Respondent shall pay to the State of Michigan, a civil fine of Five Hundred Dollars (\$500.00.). Upon issuance and entry of this Order, OFIR will send an Invoice to Respondent, and Respondent shall pay the fine by the due date printed on the Invoice.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: Stephen R. Hilker
Stephen R. Hilker
Chief Deputy Commissioner

C. STIPULATION

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.

Authorized Representative of
Grand Valley Health Plan
NAIC No. 95453

Name & Title

Janet Lederman
Director of Managed Care

Dated: 04-11-2011

OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.

William R. Peattie

William R. Peattie

Dated: 4/13/11