

**OFFICE OF COMMISSIONER OF INSURANCE  
STATE OF GEORGIA**

**IN THE MATTER OF:** )  
 )  
**BLUE CROSS BLUE SHIELD** )  
**HEALTHCARE PLAN OF GA., INC.** )

**Case Number: 11029362**

**CONSENT ORDER**

**WHEREAS**, the Commissioner of Insurance of the State of Georgia (“Commissioner”) has the duty to uphold the provisions of the Georgia Insurance Code, codified at O.C.G.A. § 33-1-1 *et seq.*; and

**WHEREAS**, the Commissioner has caused an examination to be made into the acts, practices, transactions, and course of business engaged in by Blue Cross and Blue Shield of Georgia, Inc., and Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. pursuant to O.C.G.A. § 33-2-11; and

**WHEREAS**, effective January 1, 2019, Blue Cross and Blue Shield of Georgia, Inc. merged with and into Blue Cross Blue Shield Healthcare Plan of Georgia, Inc., with Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. as the surviving entity (as a result of the merger Blue Cross and Blue Shield of Georgia, Inc. and Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. are hereinafter referred to as the “Respondent”). The Respondent’s stated purpose of merging the two companies was to eliminate duplicative administrative costs. The transaction was approved by the Department on October 9, 2018 (Case Number 11022585).

**WHEREAS**, based on the information and documentation received by the Georgia Department of Insurance (“Department”) through the course of this examination, the

Commissioner has determined that Respondent has failed to comply with certain provisions of the Georgia Insurance Code; and

**WHEREAS**, Respondent, after being fully advised of all rights and procedures guaranteed to it under the Georgia Insurance Code, including the right to a hearing as provided by O.C.G.A. §§ 33-2-17 and 33-2-24, now desires to enter into this Consent Order, including the Corrective Action Plan attached hereto as Appendix A and incorporated herein by reference for the purpose of resolving all issues described herein, without the necessity of a hearing, and therefore desires to waive any and all such rights and consents to the terms of this Consent Order and the entry thereof; and

**WHEREAS**, Respondent enters into this Consent Order without admitting or denying violations of Georgia law in regard to the issues described herein.

**NOW THEREFORE**, the Commissioner finds the following:

1.

Prior to the merger with Blue Cross Blue Shield Healthcare Plan of Georgia, Inc., Blue Cross and Blue Shield of Georgia, Inc. held a Certificate of Authority Number 2000667 to act as a healthcare corporation in the State of Georgia and maintained a business location at 3350 Peachtree Road Northeast, Atlanta, Georgia 30326.

2.

Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. holds Certificate of Authority Number 200036, to act as a health maintenance organization in the State of Georgia and maintains a business location at 740 W Peachtree St., Atlanta, Georgia 30308.

3.

The Respondent is ultimately owned and controlled by Anthem, Inc. (“Anthem”).

4.

A targeted market conduct examination of Respondent was conducted by representatives of the Department with a scope period January 1, 2015, to September 30, 2021.

5.

The examination included, but was not limited to, a review of the Respondent's internal controls related to the implementation of a provider database system during calendar year 2015, implementation of a replacement provider database system during calendar year 2021 and reporting of claims payment data to the Department pursuant to the Department's Directives 99-EXAM-1 and 13-EXAM-2.

6.

During the course of the examination, the Commissioner found that:

- a) In March 2015, Respondent implemented an internally developed provider database system designed to consolidate provider data and to serve as a centralized data repository for all Anthem provider demographic data.
- b) Following the implementation of the provider database system, provider complaints made to both the Department and Respondent noticeably increased during calendar years 2015-2018.
- c) The most common complained of errors ("processing errors") were from: (1) claims from in-network providers processing as out-of-network, and (2) claims rejecting for unknown reasons.
- d) As a result of the noted processing errors, a significant number of claims were impacted by issues involving the Respondent's implementation of the provider database system.

- e) Respondent implemented a four-phase remediation plan to address provider complaints and claims processing errors and various corrective measures were deployed between 2015-2020, leading to the implementation of a replacement provider database system.
- f) During Respondent's implementation of the replacement provider database system (released in April 2021), Respondent performed significant project, implementation, and testing plans of the new system to ensure that adequate safeguards were taken to avert challenges previously experienced with the old provider database system.
- g) During this delay, Respondent continued to experience processing errors that resulted from the implementation of the old provider database system. Respondent failed "to adopt and implement procedures for the prompt investigation and settlement of claims arising under their policies," as required under O.C.G.A. § 33-6-34(3).
- h) A test of Respondent's submission of claims data pursuant to Directives 99-EXAM-1 and 13-EXAM-2 determined coding and data errors within Respondent's systems caused incomplete and inaccurate claims data submissions to the Department as noted in claims submitted to the Department for claims timeliness testing. Upon the detection of the errors, Respondent revised its internal process for extracting claims timeliness testing data and submitted corrected reports to the Department in 2019.

- i) A test of Respondent's compliance with the claims timeliness requirements of O.C.G.A. § 33-24-59.5(b)(1) and/or (c) determined Respondent was out of compliance for several quarters during the period from 2018 to 2021.

**ORDER**

**NOW THEREFORE, IT IS HEREBY ORDERED BY THE COMMISSIONER** and agreed to and consented to by Respondent that:

1.

Pursuant to O.C.G.A. § 33-2-24(g), Respondent shall pay a monetary penalty in the amount of Five Million Dollars (\$5,000,000.00) to the Georgia Department of Insurance and as applicable, additional monetary penalty as outlined in Appendix B: Performance Milestones.

2.

Respondent shall adhere to the terms of the Corrective Action Plan attached to this Consent Order as Appendix A. Beginning May 1, 2022, Respondent shall submit a monthly report containing all relevant information demonstrating compliance with the Corrective Action Plan until such time as the Commissioner has rescinded this order or March 31, 2023, whichever is sooner (the "Departmental Supervision Period"). Each report shall be signed by an officer of the Respondent and submitted to the Department within ten (10) business days of the last day of each month.

3.

Respondent shall submit to periodic examinations by a qualified individual or firm of the Department's choosing to examine Respondent's compliance with this agreement, as allowed under O.C.G.A. § 33-2-11(a).

4.

The Single Point of Contact, as described in Appendix A, shall be familiar with the Georgia Insurance Code, the Rules and Regulations of the Georgia Department of Insurance, and the laws of the State of Georgia in order to monitor the day-to-day business practices of the Respondent and to ensure compliance with this Order. Specifically, the Single Point of Contact shall be dedicated to assisting Georgia healthcare providers and facilitating the prompt resolution of any conflicts or disagreements between such providers and Respondent.

5.

Responses and action should be made within fifteen (15) business days of the initial complaints, requests or inquiries filed with the Department.

6.

Respondent will adhere to all Prompt Pay Reporting requirements.

7.

Respondent shall implement strict project management controls including extensive testing for any new functional deployments on provider database systems. All testing should be done considering the size and complexity of its Georgia business. Pursuant to Ga. Comp. R. & Regs. 120-2-80-.04, prior to implementing, deploying, or otherwise subjecting Georgia providers to the use of any new functions or systems, Respondent shall give the Department one hundred and twenty (120) days' advance notice during which time the Department may examine Respondent's implementation plans and related controls. Finally, the Respondent will establish and maintain pre and post command centers to oversee the implementation and resolve any issues discovered with a warranty period of not less than one hundred twenty (120) days for any new functions or systems affecting providers implemented for the Georgia business. Respondent shall maintain all records of any new

functions or systems in accordance with the Company's record retention policy, but not less than two (2) years, and for as long as the new system is maintained.

8.

The complaint system process should be filed with the Department by April 30, 2022.

9.

The Respondent shall not pay any ordinary dividend above One Hundred Million Dollars (\$100,000,000) or any other dividends during the Departmental Supervision Period without first obtaining Commissioner approval.


10.

This Consent Order resolves all administrative penalties and sanctions of any kind related to the violations discovered within the scope of the examination for the period from January 1, 2015, through September 30, 2021. If Respondent materially violates any of the terms and conditions specified herein or within the accompanying attachments Appendix A and Appendix B, Respondent shall receive notice of such violation(s) and have a fifteen (15) day period, or other cure period as mutually agreed upon in writing by the Department and Respondent, to cure or mitigate such violation(s). Should the Commissioner then find that such material violation(s) and failure to cure or mitigate such violations(s) have occurred, such violation(s) and failure(s) will be considered a violation of this Consent Order and will subject Respondent to further penalties and sanctions. If a hearing on an order issuing administrative penalties and sanctions is requested by Respondent, the burden of proof shall be on Respondent to show cause as to why the action is not justified.

11.

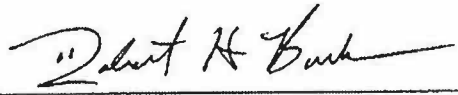
In consenting to the terms and entry of this Consent Order, Respondent has not waived its rights or defenses to any subsequent claims or proceedings before the Department.

SO ORDERED this 29 of March, 2022.

  
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JOHN F. KING  
COMMISSIONER OF INSURANCE  
STATE OF GEORGIA

CONSENTED TO BY:

BLUE CROSS BLUE SHIELD HEALTHCARE PLAN OF GA, INC.

By: 

Title: President - Anthem BCBS GA

Sworn to and subscribed before me this

24<sup>th</sup> day of March, 2022.



Notary Public

My Commission Expires: 9/17/2023

