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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of
**ANTHEM BLUE CROSS LIFE AND
HEALTH INSURANCE CO.**
Respondent.

File No. UPA-2013-00001
ORDER

WHEREAS, on or about January 4, 2013, the California Department of Insurance hereafter (“Department”) served upon ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY (hereafter “ANTHEM”) an Order to Show Cause and Statement of Charges; Notice of Monetary Penalty; Notice of Filing with Agency (hereafter “OSC”). Said OSC is incorporated herein by reference and alleged that ANTHEM engaged in acts or practices in violation of California Insurance Code §§790.03, 10144.5 and the Fair Claims Settlement Regulations at 10 Ca. Code Regs §§2695 *et seq*; and,

WHEREAS, Respondent has executed a Stipulation and Waiver in which it waived its rights to a hearing in this matter, and any and all other rights which may be accorded pursuant to the provisions of the California Administrative Procedure Act (Government Code §§11500-11528) and the California Insurance Code, and has consented to the entry of this Order. The Stipulation and Waiver is attached hereto and incorporated herein by reference.

GOOD CAUSE APPEARING,

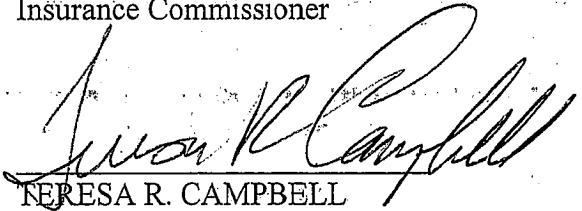
IT IS HEREBY ORDERED that ANTHEM execute all of the terms contained in the Settlement Agreement without delay and in good faith;

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IT IS FURTHER ORDERED that this Order shall become effective immediately upon the date set forth below.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal, this 14th day of January, 2013.

DAVE JONES
Insurance Commissioner

By: 
TERESA R. CAMPBELL
Assistant Chief Counsel

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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

10 In the Matter of

11 **ANTHEM BLUE CROSS LIFE AND
12 HEALTH INSURANCE CO.**

13 Respondent.

14 File No. UPA-2013-00001

15 **STIPULATION AND WAIVER**

16 (California Insurance Code §§ 790.03,
17 700(c),790.035 and Government Code § 11505)

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Respondent, Anthem Blue Cross Life and Health Insurance Company ("Respondent"), a California corporation, and the California Department of Insurance ("Department"), stipulate and agree as follows:

1. Respondent holds a Certificate of Authority to transact the business of life and disability insurance in the State of California, pursuant to § 700 *et seq.* of the California Insurance Code.

2. Two of the Respondent's insureds who had been diagnosed with autism sought speech and occupational therapies for the treatment of their autism and were denied benefits for some therapy sessions by Respondent, who contended that its policies contained annual dollar or visit limits on those therapies and that the insureds had met their annual dollar or visit limits.

3. On or about January 4, 2013, the Department served Respondent with an Order to Show Cause and Statement of Charges (hereinafter "OSC") in the proceeding entitled In the Matter of the Certificate of Authority of Anthem Blue Cross Life and Health Insurance Company. Among other things, the OSC seeks an order requiring Respondent to agree to eliminate, or refuse to apply or rely on, those annual limits in the policies at issue in the OSC.

4. Respondent agrees to eliminate any annual dollar or visit limits for medically necessary speech and occupational therapy for insureds with autism who are covered by its Individual SmartSense Generic Rx \$500 (Z153) Plan or by its Individual Premier Plus \$1,000 06BD Plan from January 1, 2013 forward.

1 5. Respondent further agrees that it will amend these policies to include language
2 specifying that it will impose no annual dollar or visit limits for medically necessary speech and
3 occupational therapy for its insureds with autism, will initiate a request to do so on or before
4 March 1, 2013, and will begin to operationalize system changes in January, 2013.

5 6. Respondent also agrees that it will make whole the two individuals identified as MS
6 and BS in the OSC, and will do so through retroactive payments to their respective parents who
7 paid out of pocket, or by payment to the providers who have not been paid, back to January 1,
8 2011; and additionally, if MS or BS did not receive all of the speech or occupational therapy
9 treatments recommended as medically necessary by their providers, Respondent agrees to cover,
10 and therefore not to deny, benefits for such medically necessary speech or occupational therapy
11 treatments going forward.

12 7. In view of these agreements, Respondent and the Department now wish to resolve all
13 disputes and issues arising from the OSC without the need for a hearing or further administrative
14 action. The parties mutually agree to enter into this settlement agreed Stipulation and Waiver and
15 agree that the resolution embodied in this Stipulation and Waiver is made in good faith and
16 resolves all charges, claims, and requests for penalties and requests for orders set forth in the
17 OSC, and that the Department will not initiate any further action pertaining to the specific
18 Policies at the issue in the OSC.

19 8. Therefore, by this Stipulation and Waiver, Respondent waives any and all rights to a
20 hearing in this matter, and any and all other rights related to this proceeding which may be
21 accorded pursuant to Chapter 5, Part 1, Division 3, Title 2 (commencing with §11500) of the
22 California Government Code and by the California Insurance Code.

23 9. Respondent agrees to perform the obligations as stated in this Stipulation and Waiver,
24 and will report to the Department on its compliance with paragraph 6 in 30 days and with the
25 entire agreement in 120 days after execution of this Stipulation and Waiver.

26 10. This Stipulation and Waiver does not constitute an admission by Respondent of
27 liability, violation, wrongdoing or improper conduct.

28 11. Respondent and the Department represent and warrants that the persons executing this

1 Stipulation and Waiver on their behalf are authorized to enter into and execute this Stipulation
2 and Waiver.

3 12. Respondent acknowledges that Insurance Code Section 1291 required the insurance
4 Commission to approve the final settlement of this matter. Both the settlement terms and
5 conditions contained herein and the acceptance of those terms and conditions are contingent upon
6 the Commissioner's approval and Order, and entry of such Order shall constitute the effective
7 date of this Agreement.

8 13. This Stipulation and Waiver is a compromise within the meaning of California
9 Evidence Code § 1152 and 1154.

10 Dated: 1/9/2013

ANTHEM BLUE CROSS LIFE AND
HEALTH INSURANCE COMPANY

11 By: 
12

13 Name: CRAIG A LAIRD

14 Title: V.P.

15
16 Dated: 1/14/13

CALIFORNIA DEPARTMENT OF INSURANCE

17 By: 
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19 Name: Teresa R. Campbell

20 Title: Assistant Chief Counsel
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In the Matter of)	DECLARATION OF SERVICE:
)	BY MAIL and EMAIL
)	
ANTHEM BLUE CROSS LIFE AND)	File No. UPA-2013-00001
HEALTH INSURANCE CO.,)	
)	
Respondent.)	
)	

I am over the age of 18 years, and not a party to this cause.

I am an employee at the Department of Insurance, State of California, employed at 45 Fremont Street, 21st Floor, San Francisco, CA 94105.

On January 14, 2013, at San Francisco, California, I sealed into an envelope and deposited in the United States mail, postage there upon fully prepaid, true copies of the following documents in the above entitled matter; the original, or a true copy, of each document served is attached hereto; said copies were addressed as follows:

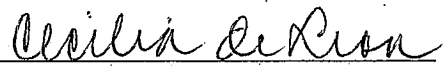
C **ORDER, STIPULATION AND WAIVER AND DECLARATION OF SERVICE** were mailed to:

Michael J. Daponte, Esq.
 400 Capitol Mall
 Twenty-Second Floor
 Sacramento, CA 95814

BY REGULAR MAIL and EMAIL
mdaponte@wilkefleury.com

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 14, 2013, at San Francisco, California.


 Declarant