

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)	
)	
HIGHMARK BCBSD INC.)	
)	DOCKET NO. 4401
NAIC #53287)	
)	
)	
)	

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of _____, 2020, by and between Highmark BCBSD Inc. (“the Respondent”) and the State of Delaware Department of Insurance (“the Department”). Respondent and the Department are collectively referred to herein as the “Parties.”

WHEREAS, Respondent is a health service corporation incorporated under Delaware law and authorized to conduct business under Chapter 63 of the Delaware Insurance Code (18 *Del. C.* §§ 101, et seq.); and

WHEREAS, the Department, through its examiners, conducted a target market conduct examination (“Examination”) designed to review the Respondent’s compliance with Delaware statutes, rules and regulations, and on the Respondent’s compliance with the Affordable Care Act for the period of January 1, 2016 through September 30, 2018; and

WHEREAS, the Department, through its examiners, prepared and provided to Respondent for review and comments draft versions of a report of the Examination; and

WHEREAS, Respondent has reviewed and commented on such draft versions of the report of the Examination; and

WHEREAS, after considering Respondent's comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of September 30, 2018 ("Final Examination Report"); and

WHEREAS, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with:

18 *Del. C.* § 332(c)(4) Prompt response to written grievances;

18 *Del. C.* § 332(c)(5) Speedy review of grievances;

18 *Del. Admin. C.* 1301 § 5.2 IHCAP Procedures;

18 *Del. C.* § 3343(b)(1)(b) Insurance coverage for serious mental illness;

18 *Del. C.* § 3350(b) Prescription medication;

18 *Del. C.* § 3343(b)(2)(a) Insurance coverage for serious mental illness;

18 *Del. C.* § 3343(b)(2)(b) Insurance coverage for serious mental illness;

18 *Del. C.* § 3578(b) Insurance coverage for serious mental illness (the "Violations"); and

WHEREAS, after communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

NOW, THEREFORE, IT IS AGREED, by and between Respondent and the Department as follows:

1. Respondent accepts the Final Examination Report as the Department's findings in this Examination, waives any right to a hearing thereon, and agrees that the Department may file the Final Examination Report without any further modifications.

2. Upon its execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Violations in the amount of Two Hundred and

Ninety-Nine Thousand Dollars (\$299,000.00.) Respondent shall make its check for the administrative penalty payable to the "State of Delaware."

3. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

4. This Stipulation and Consent Order is the free and voluntary act of Respondent, and its terms are binding upon Respondent and may be admitted into evidence in any judicial or administrative proceeding against Respondent to enforce such terms. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

5. This Stipulation and Consent Order contains all terms and conditions agreed to by the parties and constitutes the final agreement between Respondent and the Department with regard to the Examination.

6. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

7. If the Department fails to act on any one or more defaults by Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

8. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified

copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

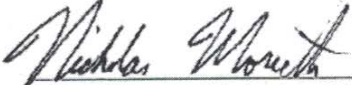
9. This Stipulation and Consent Order shall survive Respondent and be enforceable against its successors, transferors, or assigns.

[Signature Page Follows]

HIGHMARK BCBSD INC.

DELAWARE INSURANCE DEPARTMENT

NAIC #53287


Print Name: Nicholas Moriello
Title: President
Date: October 28, 2020


TRINIDAD NAVARRO
Insurance Commissioner
Date:

Witness to Respondent's Signature

Name:

Title:

Date:

STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 2020,
by _____, who is personally known to me or who has produced
_____ as identification, and who certified that he or she is duly authorized to
execute this document on behalf of Respondent.

GIVEN under my Hand and Seal of office, the day and year aforesaid.

NOTARY PUBLIC

PRINT NAME

MY COMMISSION EXPIRES