

BEFORE THE DIVISION OF INSURANCE
DEPARTMENT OF LABOR AND REGULATION
STATE OF SOUTH DAKOTA

IN THE MATTER OF COVENTRY)	CONSENT ORDER
HEALTH CARE OF IOWA, INC.)	

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

COVENTRY HEALTH CARE OF IOWA, INC., (“COVENTRY”), whose mailing address of record is 4320 114TH Street, Urbandale, IA 50322, is an applicant for licensure as a utilization review organization and managed care contractor in the State of South Dakota;

COVENTRY is aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation;

The Division alleges the following with regard to COVENTRY:

- 1) COVENTRY acted as a utilization review organization for South Dakota insured members in 1088 instances between July 1, 2014 and November 18, 2014 with an expired license, in violation of SDCL §§ 58-17H-36 and 58-17H-38;
- 2) COVENTRY submitted a renewal application for registration as a utilization review organization and managed care contractor on November 18, 2014;
- 3) Pursuant to SDCL § 58-17H-38, the Director of the Division of Insurance may issue a cease and desist order against any utilization review organization which fails to comply with the requirements of SDCL §§ 58-17H-35 to 58-17H-39;
- 4) Pursuant to SDCL § 58-17F-16, a managed care contractor must register with the Director prior to engaging in any managed care business in South Dakota.

COVENTRY is aware of and understands the nature of the allegations and has been informed that it has the right to a Notice of Hearing, counsel and appeal and that by agreeing to sign this Consent Order, waives these rights;

In return for COVENTRY agreeing to and complying with the provisions of this Consent Order, the Division agrees not to proceed with the denial of COVENTRY’s application and subsequent administrative hearing and agrees that this Consent Order will constitute an informal and complete disposition of this licensing matter and the prior period of non-registration pursuant to SDCL § 1-26-20;

COVENTRY agrees to pay \$5,000 pursuant 58-4-28.1, in lieu of an application denial, administrative hearing, and Final Decision;

COVENTRY further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

COVENTRY further agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

COVENTRY waives its right to contest the allegations contained in this Consent Order in any future actions or licensing procedures;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that COVENTRY pay a monetary penalty in the amount of \$5,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

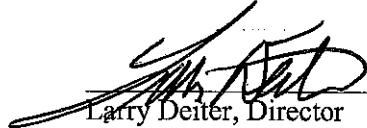
ORDERED that COVENTRY abide by the agreements made by it in this Consent Order; and it is further

ORDERED that COVENTRY'S managed care contractor and utilization review organization renewal applications are APPROVED as of the effective date of this Consent Order; and it is further

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further

ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.


Dated at Pierre, South Dakota this 17th day of JUNE, 2015.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of COVENTRY, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enter into this Consent Order.

Dated this 16th day of June, 2015.



Signature of Authorized Representative
Dale Mackel

Printed Name
CEO

Title