BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
OFFICE OF THE MONTANA STATE AUDITOR

IN THE MATTER OF MONTANA HEALTH COOPERATIVE, d/b/a MOUNTAIN HEALTH CO-OP, a licensed health service corporation; Respondent.	Case No. INS 2025-00077 **CONSENT AGREEMENT AND FINAL ORDER**

This Consent Agreement (Agreement) and Final Order is entered into by the Commissioner of Securities and Insurance, Office of the Montana State Auditor (CSI), acting pursuant to the authority of the Montana Insurance Code, § 33-1-101, *et seq.*, MCA, and the Montana Health Cooperative (MHC).

RECITALS

WHEREAS, MHC is a licensed health service corporation (Certificate of Authority # 6569) doing business in Montana as MOUNTAIN HEALTH CO-OP;

WHEREAS, since September 2024, over sixty (60) consumer complaints involving MHC have been filed with CSI's Insurance Consumer Services Bureau (ICS);

WHEREAS, MHC consumer complaints have involved, without limitation, the following unresolved issues or areas of concern, which may be the subject of pending or future examinations, findings, recommendations, or enforcement actions by CSI:

a. Claim processing;

b. Customer service;

c. Insurance identification cards;

d. Explanations of benefits (EOBs);

e. Prior authorization processes;

f. Coverage of services and medications;

g. Provider credentialing; and

h. Provider directories and networks.

WHEREAS, CSI alleges that MHC has consistently failed to timely, fully, and adequately respond to CSI after being contacted by CSI regarding consumer complaints;

WHEREAS, CSI alleges that MHC violated Montana Code Annotated Section 33-1-315(5) by knowingly failing to answer in writing to certain material inquiries of CSI during CSI's investigations of consumer complaints;

WHEREAS, MHC neither admits nor denies that it violated § 33-1-315(5);

WHEREAS, MHC desires to work efficiently, cooperatively, and in good faith with CSI to ensure timely, complete, and adequate responses to requests from CSI regarding pending and future consumer complaints;

WHEREAS, the parties agree that the best interests of the public would be served by entering into this Agreement.

NOW THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the parties agree to settle this matter on the following terms and conditions:

AGREEMENT

CSI and MHC stipulate and consent to the following:

(A) Administrative Penalty

(1) Within fifteen (15) business days from the execution date of this Agreement, MHC must pay an administrative penalty in the amount of $25,000 to the

Commissioner of Securities and Insurance, Montana State Auditor, c/o Amber Thorvilson, Chief Financial Officer, 840 Helena Avenue, Helena, MT 59601.

(B) Responses to Complaints

(1) MHC must provide CSI with substantive and complete responses within ten (10) business days from MHC's receipt of a complaint filed with CSI. This includes providing all information requested in CSI's initial communication, including, but not limited to, copies of policies, file notes, EOBs, claims, and correspondence.

(2) If MHC requires additional time to respond to a complaint, MHC must request an extension of time in writing from CSI at least two (2) business days before the close of the tenth business day. Approval is at CSI's sole discretion. When submitting a written request for an extension, MHC must clearly outline the circumstances and justifications prompting the need for additional time and propose a specific and reasonable deadline by which it commits to providing a thorough and substantive response to the complaint.

(3) All responses must:

(a) Be submitted in writing on MHC's letterhead, dated, and signed by the author. The response must also provide alternative contact information if the author becomes, or is expected to become, unavailable;

(b) Include MHC's analysis and position regarding the complaint together with relevant and accurate supporting documentation to facilitate a thorough review; and

(c) Specify any vendor, contractor, subcontractor, or other third party whose actions or performance contributed to, or are relevant to, the complaint.

(C) Weekly Meetings Regarding Consumer Complaints

(1) Until otherwise agreed to by CSI in writing, representatives of MHC and CSI will conduct regular weekly meetings to discuss outstanding complaints to facilitate timely and comprehensive responses to resolve all pending and future complaints.

(2) MHC will use a tracking system, as agreed upon with CSI, to monitor all pending and unresolved complaints for reference and discussion during weekly meetings. This system will capture key information for each complaint, including a summary description, the responsible MHC personnel, relevant response deadlines, current status, and anticipated resolution dates. To protect individual privacy and data security, the tracking system will not include any Protected Health Information (PHI) or Personally Identifiable Information (PII).

(D) Delegation of Insurance and Administrative Functions

(1) MHC acknowledges that its delegation of any insurance or administrative function, including, but not limited to, claims processing and administration, underwriting, credentialing, provider contracting, customer service, utilization management, and compliance, to a vendor, contractor, subcontractor, or other third party does not relieve MHC of its obligation to comply with all applicable legal requirements and deadlines, including those in this Agreement.

(E) Miscellaneous Provisions

(1) MHC specifically and affirmatively waives a contested case hearing and its right to appeal under the Montana Administrative Procedure Act, § 2-4-101 et seq. (MAPA), and elects to resolve the allegations contained in this Agreement based on the terms and conditions set forth herein.

(2) MHC acknowledges that its authorized representative has read and understood each term of this Agreement, and that MHC enters into this Agreement voluntarily and without reservation.

(3) MHC and its members, officers, employees, agents, and representatives fully and forever release and discharge CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, arising out of this Agreement.

(4) CSI warrants that it will not pursue further actions or impose additional penalties against Company based on the allegation that MHC violated § 33-1-315(5) by knowingly failing to answer in writing to certain material inquiries of CSI during CSI's investigations of consumer complaints up to the date this Agreement is executed. However, this does not limit CSI's authority to take actions regarding: (a) violations of the Montana Insurance Code, including violations of § 33-1-315(5) or this Agreement that occur after its execution; (b) violations of any other provision of the Montana Insurance Code, involving the underlying consumer complaints, issues, or concerns listed in the third Recital of this Agreement, except as they relate to § 33-1-315(5), regardless of when such violations occurred; or (c)

violations of the Montana Insurance Code, regardless of when such violations occurred, including those identified or substantiated through investigations or examinations.

(5) MHC shall regularly consult with CSI to ensure adherence to the terms of this Agreement and to address any issues that may arise. MHC shall maintain ongoing collaboration with CSI and promptly respond to requests for information to demonstrate compliance with this Agreement.

(6) This Agreement is entered into without adjudication of any issue, law, or fact. It is entered solely to address the allegation that MHC violated § 33-1-315(5) by knowingly failing to answer in writing to certain material inquiries of CSI during CSI's investigations of consumer complaints, and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not alter, limit, or create any private rights or remedies against the parties.

(7) Nothing contained herein shall be construed as grounds for loss of certification or plan suppression, or to otherwise affect the ability of MHC to offer, sell or administer Qualified Health Plans (QHPs), whether on or off the Health Insurance Marketplace, or to enroll consumers into such QHPs.

(8) This Agreement constitutes the entire agreement between the parties. No other promises or agreements, either express or implied, have been made between CSI or any member, officer, employee, agent, or representative of CSI, and MHC or any member, officer, employee, agent, or representative of MHC.

(9) This Agreement may not be modified orally. Any subsequent modifications to this Agreement must be mutually agreed in writing with the same formality as this Agreement.

(10) This Agreement shall be incorporated into and made part of the attached Final Order issued by the Commissioner of Securities and Insurance, Montana State Auditor, herein.

(11) This Agreement shall become effective upon signing of the Final Order and shall remain in force for a period of one (1) year, which one-year period shall commence on the date the Final Order is signed.

(12) This Agreement and Final Order are public records under Montana law and may not be sealed or otherwise withheld from the public.

DATED this 30th Day of April 2025.

OFFICE OF THE COMMISSIONER OF SECURITIES AND INSURANCE, MONTANA STATE AUDITOR

FRANK COTE
Deputy Commissioner of Insurance

MARK MATTIOLI
CSI Senior Counsel

DATED this April 30, 2025.

MONTANA HEALTH COOPERATIVE, d/b/a MOUNTAIN HEALTH CO-OP

JACKIE BOYLE
Senior Vice President, External Affairs

FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann.§§ 2-4-603 and 33-1-101 et seq. and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the Office of the Commissioner of Securities and Insurance, Montana State Auditor, and Respondent Montana Health Cooperative, d/b/a Mountain Health Co-Op, is adopted as set forth fully herein.

DATED this 30th day of April, 2025.

JAMES BROWN
Commissioner of Securities and Insurance
Montana State Auditor

cc. Frank Cote & Mark Mattioli, CSI
Jackie Boyle, MHC