Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

VIA ELECTRONIC MAIL

October 18, 2022

Mr. Kevin Counihan, President
c/o Paige Waters
Celtic Insurance Company
200 East Randolph Street, Suite 3600
Chicago, IL. 60601

Re: Celtic Insurance Company, NAIC 80799
Market Conduct Examination Report Closing Letter

Dear Mr. Counihan:

The Department has received your Company's proof of compliance. Therefore, the Department is closing its file on this exam.

I intend to ask the Director to make the Examination Report and Stipulation and Consent Order available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer

Erica Weyhenmeyer
Chief Market Conduct Examiner
Illinois Department of Insurance
320 West Washington St., 5th Floor
Springfield, IL 62767
Phone: 217-782-1790
E-mail: Erica.Weyhenmeyer@Illinois.gov

Illinois Department of Insurance
Market Conduct Examination

Celtic Insurance Company

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION:	April 16, 2020, through October 18, 2021
EXAMINATION OF:	Celtic Insurance Company, NAIC #80799
LOCATION:	77 West Wacker Drive Chicago, IL 60601
PERIOD COVERED:	Claims: February 1, 2019, through January 31, 2020 Complaints, Internal Appeals, and external reviews: August 1, 2018, through January 31, 2020
EXAMINERS:	Elizabeth Harvey Leslie Keck Trisha Rothgangel Bruce Glaser June Coleman Kirk Stephen Tim Clement Sam Muszynski Marilyn Vadon Peggy Hermann André J. Mumper-Ham, Examiner-in-Charge Shelly Schuman, Supervisory Insurance Examiner

Table of Contents

I. FOREWORD

This is a market conduct examination report of Celtic Insurance Company (the "Company"), NAIC Code 80799. This examination was conducted at other authorized offsite locations.

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures or files does not constitute approval thereof by the Illinois Department of Insurance ("DOI" or "Department").

During this examination, the examiners cited errors made by the Company. Statutory citations were as of the examination period unless otherwise noted.

II. SCOPE OF THE EXAMINATION

The Department has the authority to conduct this examination pursuant to, but not limited to, 215 ILCS 5/132.

The purpose of the examination was to determine if the Company complied with the Illinois Insurance Code (215 ILCS 5/1 et seq.), the Illinois Administrative Code (50 Ill. Admin. Code 101 et seq.), and to consider whether the Company's operations are consistent with the public interest. The primary period covered by this review was February 1, 2019, through January 31, 2020, and August 1, 2018, through January 31, 2020, for complaints, appeals, and external reviews unless otherwise noted. Errors outside of this time period discovered during the course of the examination, however, may also be included in the report.

The examination involved the following business functions and lines of business: complaints, provider relations, marketing, and sales, underwriting and rating, claims, appeals, network adequacy, utilization review, mental health parity, and pharmacy review.

In performing this examination, the examiners reviewed a sample of the Company's practices, procedures, products, and files. Therefore, some noncompliant events may not have been discovered. As such, this report may not fully reflect all of the practices and procedures of the Company. As indicated previously, failure to identify or criticize improper or noncompliant business practices in this state or other jurisdictions does not constitute acceptance of such practices.

III. SUMMARY

The following table represents general findings with specific details in each section of the report.

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Company Operation and Management	73	50 Ill. Adm. Code 901.20 (a) and 215 ILCS 5/133 (1)(2)	Failed to maintain adequate record retention timeframes for administrative projects pertaining to current business transactions.	N/A	N/A	100%
Consumer Complaints	2	50 Ill. Adm. Code 926.50.	Failed to maintain the minimum information of the complaint record for seven years.	85	12	14%
Consumer Complaints	3	215 ILCS 5/356z. 3 (a) (b)	Failed to ensure that the beneficiary, insured, or enrollee shall incur no greater out-of-pocket costs than the beneficiary, insured, or enrollee would have incurred with a participating physician or provider for covered services for radiology, anesthesiology, pathology, emergency physician, or neonatology are unavailable and are provided by a nonparticipating facility-based physician or provider.	90	4	4%
Consumer Complaints	4	215ILCS 5/143db	Failed to provide adequate resolution to the members complaint.	90	10	11%
Consumer Complaints	6	CFR45 146.136 C (4)	Failed to provide the member information on Mental Health and Substance Use Disorder complaints that was no more restrictive than that of Medical Surgical.	90	14	16%
DOI Complaints	14	50 Ill. Adm. Code 926.40 b 1 and 2	Failed to supply adequate documentation that explains all actions taken or not taken and that were the basis for the complaint.	51	8	16%
DOI Complaints	15	50 Ill. Adm. Code 926.50	Failed to keep complaint records for up to seven years.	51	2	4%
DOI Complaints	16	215ILCS 125 4-6 b	Failed to respond to the Department of Insurance complaint within 21-day timeframe specified by the department.	51	29	57%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Provider Complaints	1	215 ILCS 5/132(2).	Failed to provide specific documentation in the files that are needed to verify the process of responding to provider inquiries.	124	124	100%
Marketing and Sales	25	215 ILCS 5 143	Failed to file the member handbook with the DOI for the 2019 plan which impacted 32,894 lives and utilized a member handbook that was disapproved for the 2020 plan year which impacted 43,332 lives.	N/A	1	100%
Marketing and Sales	26	215 ILCS 5/149 (1)(4)	Circulated the member handbook to 43,332 lives for the 2020 plan year knowing that it was disapproved by the DOI.	N/A	1	100%
Underwriting and Rating (Involuntary Termination)	45	45CFR§ 156.270 (b)1	Failed to send member termination letter prior to termination.	79	13	16%
Claims (MH/SUD Paid Claims)	17	50 Ill. Adm. Code 919.50 a (1)	Failed to pay the claims for Mental Health Substance Use disorder within thirty days.	109	5	5%
Claims (MH/SUD Paid Claims)	20	50 Ill. Adm. Code 919.70 a (2).	Failed to notify the beneficiary in writing within forty-five days of claim delays for Mental Health Substance Use disorder claims.	109	5	5%
Claims (MH/SUD Paid Claims)	28	215ILCS 5/357.9	Failed to pay the claim with interest at nine percent due to the claim being paid after thirty days.	109	2	2%
Claims (Med/Surg Denied Claims)	19	50 Ill. Adm. Code 919.50 a (1)	Failed to deny claims for Medical Surgical services within thirty days.	109	4	4%
Claims (Med/Surg Denied Claims)	22	50 Ill. Adm. Code 919.70 a (2)	Failed to notify the beneficiary in writing within forty-five days of claim delays for Medical and Surgical denied claims.	109	2	2%
Claims (MH/SUD Denied Claims)	18	50 Ill. Adm. Code 919.50 a (1)	Failed to deny claims for Mental Health Substance Use disorder within thirty days.	108	4	4%
Claims (MH/SUD Denied Claims)	21	50 Ill. Adm. Code 919.70 a (2).	Failed to notify the beneficiary in writing within forty-five days of claim delays for Mental Health Substance Use disorder denied claims.	108	4	4%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Claims (MH/SUD Denied Claims)	24	215ILCS 5/154.6	Failed to process a claim for payment claim denied incorrectly.	108	1	1%
Claims (MH/SUD)	71	215 ILCS 5/370 c(g)	Failed to provide treatment for substance use disorder without prior authorization. The Company has noncompliant language in 100% of the Certificates of Coverage and Schedule of Benefits reviewed. The Company states that prior authorization may be required for substance use disorder treatment. This is a violation of 215 ILCS 5/370c (g).	N/A	N/A	100%
Appeals	7	215ILCS 134/45(d)	Failed to provide information on the External Review Rights.	74	13	18%
Appeals	8	215ILCS 134/45(C)	Failed to notify the party filing an appeal, within 3 business days, of all information that the plan requires to evaluate the appeal. The health care plan shall render a decision on the appeal within 15 business days after receipt of the required information.	74	15	20%
Appeals	9	215 ILCS 5/132 (2)	Failed to supply documents needed to complete the appeal review.	74	1	1%
Appeals	10	215ILCS 5/370c b (3)	Failed to provide a mechanism for the timely review by a provider holding the same license and practicing in the same specialty of the patient's provider.	74	1	1%
Network Adequacy	27	215ILCS 124/25 (a) and 45 CFR § 156.230 (b)	Failed to provide an up to date and accurate provider directory.	116	99	85%
Utilization Review	11	215ILCS 5/154.6 b	Failed to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies.	229	75	33%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Utilization Review	12	215ILCS 5/370 c (5.5)	Failed to base all treatment recommendations that the health benefit plan shall base all medical necessity determinations for substance use disorders in accordance with the most current edition of the Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions established by the American Society of Addiction Medicine.	229	3	1%
Utilization Review	13	215ILCS 134/45.1 (c)(3)	Failed to allow for a step therapy exception for a patient with a stable history on a prescription drug selected by his or her health care provider for a medical condition under consideration while on a current or previous health insurance or health benefit plan.	229	1	0.40%
Utilization Review (Supplemental Review SUD)	41	215 ILCS 5/370 c 5.5 and 215 ILCS 5/370 c(b)(3)	Failed to use ASAM criteria for treatment and admission with a diagnosis with substance use disorder.	22	21	95%
Mental Health Parity Review	72	215 ILCS 5/370.1(k)(6)	The Company filed information did not provide a sufficient comparative analysis for the NQTLs for Prior Authorization for inpatient and outpatient services, Medical Necessity, and Experimental and Investigative Treatments and did not provide a sufficient comparative analysis for the prescription drug NQTLs for Medical Necessity, Prior Authorization and Step Therapy.	N/A	N/A	100%
Pharmacy Review (MH/SUD	29	215ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i)	Pharmacy sample claims were denied due to exceeding a 30-day maximum supply limit.	109	5	5%
Pharmacy Review (MH/SUD	30	215ILCS 134/45.1 (d)(e), 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i).	Failed to honor a prior authorization on a mental health medication when MED/SURG medications that received a prior authorization did indeed have their prior authorization honored.	109	1	1%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Pharmacy Review (MH/SUD	31	215ILCS 5/370c (b)(6.5)(A), 215 ILCS 5/370c.1 (e),(g), and 45 CFR 146.136 (c)(4)(i)	Placed a prior authorization on buprenorphine/naloxone 8mg/2mg sublingual tablets and didn't require a prior authorization on other buprenorphine/naloxone brand and generic formulations.	109	1	1%
Pharmacy Review (Drug Utilization Review)	49	215ILCS 5/370c (b)(6.5)(A)	Failed to use the same processes, strategies, evidentiary standards, or other factors that were comparable to substance abuse medications as it did for MED/SURG medications both as written and in operation.	114	1	1%
Pharmacy Review (Drug Utilization Review)	54	215ILCS 134/45.1	Members denied access to prescriptions despite the member previously trying the required prescription drug while under the patient's current or previous health insurance or health benefit plan and the prescribing provider submits evidence of failure or intolerance, or the member was stable on a prescription drug selected by his or her health care provider.	114	21	18%
Pharmacy Review (Drug Utilization Review)	59	215ILCS 134/45.1	Durations of approval for less than 12 months based on Company approvals for these medical exceptions.	114	3	3%
Pharmacy Review (Drug Utilization Review)	62	215ILCS 5/370c.1 (e),(g), and 45 CFR 146.136 (c)(4)(i)	Imposed a restrictive prior authorization/medically necessary policy for ADHD medications, antidepressants, and antipsychotics.	114	13	11%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Pharmacy Review	32	215ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c (b)(6.5)(c)	Imposed a prior authorization on flumazenil when it's billed thru the member's medical benefit, and at a higher tier placement (Tier 3) on a generic medication approved by the United States Food and Drug Administration prescribed or administered for the treatment of substance use disorders for generic medications, which wasn't the lowest tier of the drug formulary developed and maintained by the individual or group health benefit plan that covers generic medications.	N/A	N/A	100%
Pharmacy Review	33	215ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Imposed a quantity limitation of 1 tablet per day on all strengths of Latuda which is commercially available as 20mg, 40mg, 60mg, 80mg, and 120mg. With a maximum dose of 160mg/day based on a schizophrenia diagnosis, a member would be required to get a quantity limitation override in order to obtain the FDA approved maximum dose for this diagnosis.	N/A	N/A	100%
Pharmacy Review	34	215ILCS 5/370c (b)(6.5)(c)	Failure to place two generic formulations prescribed or administered for the treatment of substance use disorders on the lowest tier of the drug formulary developed and maintained by the individual or group health benefit plan that covers generic medications.	N/A	N/A	100%
Pharmacy Review	35	215ILCS 5/370c (b)(6.5)(A)	Imposed a prior authorization/medical necessity review on Vivitrol (extended-release naltrexone) during the exam period 2/1/2019 to 1/31/2020 when members would obtain this medication under their medical benefit.	N/A	N/A	100%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Pharmacy Review	36	215ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c (b)(6.5)(c)	Imposed a prior authorization requirement on a prescription medication (Lucemyra) approved by the United States Food and Drug Administration that is prescribed or administered for the treatment of substance use disorders and didn't place this substance abuse medication on the lowest tier of the drug formulary developed and maintained by the individual or group health benefit plan that covers brand medications.	N/A	N/A	100%
Pharmacy Review	37	215ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Placed a 30-day limitation on Anti-Anxiety Medications	182	182	100%
Pharmacy Review	38	215ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Placed a 30-day limitation on Antipsychotics 30.	4	4	100%
Pharmacy Review	39	215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Quantity Limitations on Risperidone TBDP Tablets.	N/A	N/A	100%
Pharmacy Review	40	215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Placed a 30-day limitation on Smoking Cessation Medications.	48	48	100%
Pharmacy Review	47	215 ILCS 5/370c (b)(6.5)(A)	Imposed a quantity limitation on Evzio (naloxone hcl solution auto-injector 0.4mg/0.4ml and naloxone hcl solution auto-injector 2mg/0.4ml on both brand and generic). Evzio (naloxone auto-injector) was limited to 1 fill every 90 days.	N/A	N/A	100%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Pharmacy Review	48	215 ILCS 134/45.1 Medical exceptions procedures required. (d)(e).	Failed to uphold regulations regarding step therapy which are to be honored for 12 months following the date of the approval or until renewal of the plan.	334	334	100%
Pharmacy Review	50	215 ILCS 5/356z.24 Immune gamma globulin therapy (b)	Failed to comply with standard requiring reauthorizations shall be no less than 12 months unless a more frequent duration has been indicated by the prescribing physician.	N/A	N/A	100%
Pharmacy Review	51	215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c.1 (e),(g), and the Mental Health Parity and Addiction Equity Act (MHPAEA) 45 CFR 146.136 (c)(4)(i) General rule.	Imposed a prior authorization arbitrarily on buprenorphine/naloxone 2mg/0.5mg and buprenorphine/naloxone 8mg/2mg sublingual tablets and did not require a prior authorization on other buprenorphine/naloxone brand and generic formulations.	N/A	N/A	100%
Pharmacy Review	52	215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Limited medication assisted treatment (MAT) to a maximum of 30 days per fill, wouldn't allow a 90-day fill, or allow a member to use a mail order benefit during the exam period 2/1/2019 to 1/31/2020.	N/A	N/A	100%
Pharmacy Review	53	215 ILCS 5/370c (b)(6.5)(A)	Placed the following brand name substance abuse medications, Antabuse, Zyban (effective 1/1/2020), and Suboxone films (on all strengths effective 1/1/2020) as non-formulary medications on their formulary.	N/A	N/A	100%
Pharmacy Review	55	215 ILCS 134/45.1 , 215 ILCS 5/370c (b)(6.5)(A) and § 156.111	Imposed a prior authorization/medical necessity review on Probuphine and Sublocade during the exam period 2/1/2019 to 1/31/2020 when members would obtain these medications under their medical benefit.	N/A	N/A	100%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Pharmacy Review	56	215 ILCS 5/370c.1 (e),(g) 45 CFR 146.136 (c)(4)(i) General rule and 215 ILCS 134/45.1	Imposed a more restrictive medically necessary policy on Spravato (CP.PMN.199) during the exam period 2/1/2019 to 1/31/2020.	N/A	N/A	100%
Pharmacy Review	57	215 ILCS 5/356z.5	Limited coverage of the prescription inhalants used for members who suffer from asthma or other life-threatening bronchial ailments.	554	259	47%
Pharmacy Review	58	215 ILCS 5/370c.1 (e),(g) 45 CFR 146.136 (c)(4)(i) General rule.	Imposed a restrictive medically necessary policy on 2 antipsychotic medications used as adjunct medication therapies for Major Depressive Disorder (MDD).	13	13	100%
Pharmacy Review	60	215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c.1 (e),(g) the 45 CFR 146.136 (c)(4)(i) General rule.	Imposed a quantity limitation on buprenorphine/naloxone 8mg/2mg sublingual films (both brand Suboxone 8mg/2mg films and generic.)	10	10	100%
Pharmacy Review	61	215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Imposed a prior authorization on buprenorphine 2mg and buprenorphine 8mg sublingual tablets for pregnancy, contraindication/intolerance to buprenorphine/naloxone, and induction treatment (quantity limitation and 5- day duration) during the exam period.	N/A	N/A	100%
Pharmacy Review	63	215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Imposed a restrictive prior authorization/medically necessary policy on 3 brand name antidepressants, Fetzima (HIM.PA.125), Trintellix (CP.PMN.65), and Viibryd (CP.PMN.145) during the exam period.	27	27	100%
Pharmacy Review	64	215 ILCS 5/356z.33	Failed to have an adequate policy in place to ensure follow thru for long-term therapy for tick-borne diseases.	N/A	N/A	100%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Pharmacy Review	66	215 ILCS 5/370c.1 (d),(e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Placed all brand name antidepressant medications on the non-preferred tier, tier 3, effective 1/1/2020 on their formulary for all plans.	N/A	N/A	100%
Pharmacy Review	67	215 ILCS 5/370c.1 (d),(e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.	Placed all brand name ADHD medications on the non-preferred tier, tier 3, effective 1/1/2020 on their formulary for all plans.	N/A	N/A	100%
Pharmacy Review	69	45 CFR § 156.125 Prohibition on discrimination.	Limited all HIV/AIDS medications to a maximum of 30 days per fill, wouldn't allow a 90-day fill, or allow a member to use a mail order benefit with the copay incentive.	N/A	N/A	100%
Pharmacy Review	70	215 ILCS 5/356z.19 cardiovascular disease	Failed to have a policy and procedure specific for cardiovascular disease.	N/A	N/A	100%

TABLE OF TOTAL VIOLATIONS						
Criticism	Crit#	Statute/Rule	Description of Violation	Samples	# Of Violations	Error %
Network Adequacy	74	215 ILCS 124/10(b)(5)(c)	Failed to utilize the maximum travel time and distance time standards.	N/A	N/A	100%

IV. BACKGROUND

In 1980, Celtic Group, Inc. formed a 50/50 partnership named Celtic Investment Group with Celtic Associates to purchase an 80% stake in Resolute Investment Corp, which included America Reserve Life Insurance Company ("ARLIC"). ARLIC was renamed as Celtic Life Insurance Company.

Then, in 1990, Celtic Life Insurance Company changed its domicile state from Rhode Island to Illinois. In 1999, Celtic Life Insurance Company changed its name to Celtic Insurance Company. Then, on July 1, 2008, Centene Corporation purchased Celtic Group, Inc. the parent company of Celtic Insurance Company.

On March 18, 2015, the Company obtained a license to operate as a Health Maintenance Organization from the Illinois Department of Insurance.

On January 23, 2020, Centene Corporation completed its acquisition of WellCare Health Plans, Inc. With the completion of the transaction, Centene's Illinois Medicaid and Medicare Advantage plans were divested.

V. METHODOLOGY

The market conduct examination process places emphasis on an insurer's systems and procedures used in dealing with insureds and claimants. The individual health business was reviewed in this examination.

The scope of this examination focused on a review including the following areas:

a. Company Operations and Management
b. Complaints
c. Marketing and Sales
d. Producer Licensing
e. Policyholder Services
f. Underwriting and Rating
g. Claims
h. Appeals
i. Network Adequacy
j. Provider Credentialing
k. Quality Assessment and Improvement
l. Utilization Reviews
m. External Review
n. Pharmacy Review
o. Mental Health Parity

The review of these categories was accomplished through examination of material related to the Company's operations and management, complaint files, marketing and sales, producer licensing, policyholder services, underwriting and rating, claims, appeals, network adequacy, provider credentialing, quality assessment and improvement, utilization review, external review, pharmacy review and mental health parity, as well as interviews with various Company personnel and Company responses to the coordinator's handbook, interrogatories and criticisms. Each of the categories listed above was examined for compliance with Illinois statutes and the Illinois Administrative Code.

The following method was used to obtain the required samples and to ensure a statistically sound selection. Surveys were developed from Company-generated Excel spreadsheets. Random statistical file selections were generated by the examiners from these spreadsheets. In the event the number of files was too low for a random sample, the sample consisted of the universe of files.

Company Operations and Management

A review was conducted of the Company's underwriting and claims guidelines and procedures, policy forms, third party vendors, internal audits, record retention policy and procedures, certificate of authority, previous market conduct examinations and annual statements. These documents were reviewed for compliance with Illinois statutes and the Illinois Administrative Code. Exceptions are noted in the report.

Complaints

The Company was requested to identify all consumer, Illinois Department of Insurance complaints and provider complaints received during the period of August 1, 2018, through January 31, 2020, and to provide copies of the complaint logs. All complaint files and logs were received. The files were reviewed for compliance with Illinois statutes and the Illinois Administrative Code. Exceptions are noted in the report.

Marketing and Sales

The Company was requested to provide a list of all advertising materials whether printed or audio/visual approved for use by field personnel and provide all policy and procedures for the examination period February 1, 2019, to January 31, 2020. Exceptions are noted in the report.

Producer Licensing

The Company was requested to provide policies and procedures or other documentation demonstrating that the Company maintains required records of licensed and appointed producers and in jurisdictions, where applicable, licensed Company agree with the Department's records. Provide policies and procedures or other documentation demonstrating that Company practices related to termination of producers complies with applicable standards, Illinois statutes and the Illinois Administrative Code. The Company provided a listing of all producers soliciting business for the Company for Illinois business at any time during the examination time period of February 1, 2019, to January 31, 2020. There were no exceptions noted.

Policyholder Services

The Company was requested to provide policies and procedures for premium collection/billing practices, timely policy issuance and insured-requested cancellations, premium refunds, and reinstatements. The Company identified a universe for policyholder services related transactions, premium refunds, and reinstatements during the examination time period of February 1, 2019, to January 31, 2020, and random samples of files were made from these sections. The policyholder services related transactions, premium refunds and reinstatement files and responses to information requests were received and reviewed for compliance with Illinois statutes and the Illinois Administrative Code. There were no exceptions noted.

Underwriting and Rating

The Company was requested to provide a sample individual accident and health policy including all disclosures for a policy written in Illinois, provide policies and procedures or other documentation demonstrating how the Company assures that all mandated disclosures are in accordance with applicable statutes, rules, and regulations as well as provide policies and procedures documenting Company requirements that cancellation/nonrenewal, discontinuance and declination notices comply with policy and contract provisions. The Company identified a universe for lapsed policies, involuntary terminations, new business, in force policies and policy recissions during the examination time period of February 1, 2019, to January 31, 2020, and random samples of files were made from these sections. The lapsed policies, involuntary terminations, new business, in

force policies and policy recissions and responses to information requests were received and reviewed for compliance with Illinois statutes and the Illinois Administrative Code. Exceptions are noted in the report.

Claims

The Company was requested to provide a list of medical, mental health and substance use disorder claims during the examination time period of February 1, 2019, to January 31, 2020, to include all paid and denied claims. The Company identified the universe of all paid and denied claims; random samples of the files were made by the examiners and submitted to the Company. The files and responses to information requests and interrogatories were reviewed to ensure the claims were processed in compliance with the policy, Illinois statutes, the Illinois Administrative Code, and the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 45 C.F.R §146 et seq. Exceptions are noted in the report.

Appeals

The Company was requested to identify all appeals for the period of August 1, 2018, through January 31, 2020. All appeal files were received and reviewed for compliance with Illinois statutes and the Illinois Administrative Code. Exceptions are noted in the report.

Network Adequacy

The Company was requested to provide policies and procedures that it maintains a network that is sufficient in number, files an access plan, and provides all required contracts and forms, as well as provide policies and procedures or other documentation demonstrating that the health carrier provides at enrollment a provider directory that lists all providers who participate in its network. The Company identified a universe for all providers during the examination time period of February 1, 2019, to January 31, 2020, and random samples of files were made. The network adequacy files and responses to information requests were received and reviewed for compliance with Illinois statutes and the Illinois Administrative Code. Exceptions are noted in the report.

Provider Credentialing

The Company was requested to provide policies and procedures or other documentation demonstrating that the Company establishes and maintains a program for credentialing and re-credentialing. There were no exceptions noted.

Quality Assessment and Improvement

The Company was requested to provide policies and procedures or other documentation demonstrating that the Company develops and maintains a quality assessment and improvement program. There were no exceptions noted.

Utilization Reviews

The Company was requested to identify all utilization reviews for the period of February 1, 2021, through January 31, 2020. The Company identified the universe of medical, mental health and substance use disorder utilization reviews; random samples of the files

were made by the examiners and submitted to the Company. The utilization review files and responses to information requests were received and reviewed for compliance with Illinois statutes and the Illinois Administrative Code. Exceptions are noted in the report.

External Review

The Company was requested to identify all external reviews for the period of August 1, 2018, through January 31, 2020. All external review files were received and reviewed for compliance with Illinois statutes and the Illinois Administrative Code. There were no exceptions noted.

Pharmacy

The Company was requested to provide a list of medical, mental health and substance use disorder pharmacy claims, drug utilization reviews, formularies and policy and procedures during the examination time period of February 1, 2019, to January 31, 2020. The Company identified the universe of all paid and denied claims; random samples of the files were made by the examiners and submitted to the Company. The files and responses to information requests and interrogatories were reviewed to ensure the claims were processed in compliance with the policy, Illinois statutes, the Illinois Administrative Code, and the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 45 C.F.R §146 et seq. Exceptions are noted in the report.

Mental Health Parity

The Company was requested to provide the mental health parity testing of its health plans and the benefit classifications for medical/surgical and mental health and substance use disorder categories. The benefits, as classified accordingly, were evaluated for Quantitative Treatment Limits (QTL) or Non-quantitative Treatment Limits (NQTL) compliance. Also, the Company was requested to identify and provide all pharmacy policies and procedures used during the experience period for mental health and substance use disorder (MHSUD) requirements. In accordance with the requirements of the examination, the data, and responses to follow up information requests were reviewed. The parity analyses, pharmacy documentation and responses to follow up information requests and interrogatories were reviewed for compliance with Illinois statutes, the Illinois Administrative Code, as well as the Mental Health Parity Addiction Equity Act (MHPAEA) and Affordable Care Act (ACA) regulations. Exceptions are noted in the report.

VI. SAMPLE SELECTION

Survey	Reviewed	% Reviewed
COMPLAINTS		
Consumer Complaints	90	13.00%
Medical Surgical Complaints (Consumer Complaints)	48	7.40%
Mental Health Substance Use Complaints (Consumer Complaints)	27	100.00%
Pharmacy Complaints (Consumer Complaints)	15	100.00%
Department of Insurance Complaints	51	100.00%
Provider Complaints	124	100.00%
MARKETING AND SALES		
Marketing and Sales	79	100.00%
Member Materials and Notifications	50	100.00%
Prospect Advertising	17	100.00%
Broker Materials	12	100.00%
PRODUCER LICENSING		
Producer Licensing	113	9.78%
POLICYHOLDER SERVICES		
Policy Holder Service-Related Transactions	116	0.14%
Policies - Span(s) Opened	39	0.08%
Policies - Paperless Billing	39	0.73%
Policies - Span(s) Closed	38	0.10%
Premium Refunds	116	0.63%
Reinstatements	79	43.00%
UNDERWRITING AND RATING		
Lapsed Policies	115	2.60%
Involuntary Terminations	79	27.00%
New Business	116	0.20%
In Force Policies	116	0.15%
Policy Recissions	79	30.60%
CLAIMS		
Medical Surgical Paid Claims	109	0.13%
Medical Surgical Denied Claims	109	0.49%
Mental Health Substance Use Disorder Paid Claims	109	1.59%
Mental Health Substance Use Disorder Denied Claims	108	4.00%
GRIEVANCE / APPEALS		
Appeals	74	100.00%
NETWORK ADEQUACY		
Network Adequacy	116	0.54%
Medical Surgical Providers	58	0.30%
Mental Health Substance Use Providers	58	3.20%
UTILIZATION REVIEW		
Out-Patient Utilization Review	115	5.60%
Medical Surgical UR OP	68	3.40%
Mental Health Substance Use Disorder UR OP	47	100.00%
In-Patient Utilization Review	114	9.50%
Medical Surgical UR IP	67	5.90%
Mental Health Substance Use Disorder UR IP	47	40.10%
Substance Use Disorder Supplemental UR	22	100.00%
EXTERNAL REVIEW		
External Review	4	100.00%
PHARMACY		
Drug Utilization Review Sample	114	4.90%
Medical and Surgical DUR	57	2.60%
Mental Health Substance Use Disorder DUR	57	49.50%
Medical Surgical Pharmacy Paid	109	0.05%
Medical Surgical Pharmacy Denied	109	0.07%
Mental Health Substance Use Disorder Pharmacy Paid	109	0.44%
Mental Health Substance Use Disorder Pharmacy Denied	109	0.96%

VII. FINDINGS

a. Company Operations and Management
    i. Company Operations and Management
        1. Crit #73 - For an error percentage of 100%, the Company's record retention management policy for ADM 100 projects was one (1) year during the examination period of February 1, 2019, to January 31, 2020. The same record retention policy was changed effective June 30, 2021, to retain records for three (3) years. The Company failed to maintain adequate record retention timeframes for administrative projects pertaining to current business transactions. This is a violation of 50 Ill. Adm. Code 901.20 (a) and 215 ILCS 5/133.

b. Complaints
    i. Consumer Complaints Received Directly by the Company
        1. Crit #2 - In 12 instances of the 85 consumer complaint files reviewed, for an error percentage of 14%, the Company failed to maintain the minimum information of the complaint record for seven years. This is a violation of 50 Ill. Adm. Code 926.50.
        2. Crit #3 - In four (4) instances of the 90 consumer complaint files reviewed, for an error percentage of four percent (4%), the Company failed to ensure that the beneficiary, insured, or enrollee shall incur no greater out-of-pocket costs than the beneficiary, insured, or enrollee would have incurred with a participating physician or provider for covered services for radiology, anesthesiology, pathology, emergency physician, or neonatology are unavailable and are provided by a nonparticipating facility-based physician or provider. This is a violation of 215 ILCS5/356z.3a(b).
        3. Crit #4 - In ten (10) instances of the 90 consumer complaint files reviewed, for an error percentage of 11.11%, the Company failed to provide adequate resolution to the member's complaint. This is a violation of 215 ILCS 5/143d(b) Customer affairs and information department.
        4. Crit #6 - In 14 instances of the 90 consumer complaint files reviewed, for an error percentage of 15.56%, the Company failed to provide the member information on Mental Health and Substance Use Disorder complaints that was no more restrictive than that of Medical Surgical. This is a violation of CFR 45 146.136 C (4) Parity in mental health and substance use disorder benefits.

ii. Department Complaints
    1. Crit #14 - In eight (8) instances of the 51 DOI complaint files reviewed, for an error percentage of four percent (4%), the Company failed to supply adequate documentation that explains all actions taken or not taken and that were the basis for the complaint. This is a violation of 50 Ill. Adm. Code 926.40 b (1) and (2).
    2. Crit #15 - In two (2) instances of the 51 DOI complaint files reviewed, for an error percentage of four percent (4%), the Company failed keep complaint records for up to seven years. This is a violation of 50 Ill. Adm. Code 926.50.
    3. Crit #16 - In 29 instances of the 51 DOI complaint files reviewed, for an error percentage of 57%, the Company failed respond to the DOI complaint within 21-day timeframe specified by the Department. This is a violation of 215 ILCS 125/4-6 (b).

iii. Provider Relations Complaints
    1. Crit #1 - In 124 instances of the 124 provider relations files reviewed, for an error percentage of 100%, the Company failed to provide specific documentation in the files that are needed to verify the process of responding to provider inquiries. This is a violation of 215 ILCS 5/132(2).

c. Marketing and Sales
    i. Marketing and Sales
        1. Crit #25 - For an error percentage of 100%, the Company failed to file the member handbook with the DOI for the 2019 plan which impacted 32,894 lives and utilized a member handbook that was disapproved for the 2020 plan year which impacted 43,332 lives. This is a violation of 215 ILCS 5/143 Policy forms.
        2. Crit #26 - For an error percentage of 100%, the Company circulated the member handbook to 43, 332 lives for the 2020 plan year knowing that it was disapproved by the DOI. This is a violation of 215 ILCS 5/149 (1)(4) Misrepresentation and defamation prohibited.

d. Producer Licensing
    i. There were no criticisms in the producer licensing survey.

e. Policyholder Services
    i. Reinstatements
        1. There were 79 files reviewed.
        2. No exceptions were noted.
    ii. Premium Refund
        1. There were 116 files reviewed.
        2. No exceptions were noted.

iii. Service-Related Transactions
    1. There were 116 files reviewed.
    2. No exceptions were noted.

f. Underwriting and Rating
    i. New Business
        1. There were 116 files reviewed.
        2. No exceptions were noted.
    ii. In force
        1. There were 117 files reviewed.
        2. No exceptions were noted.
    iii. Lapse
        1. There were 115 files reviewed.
        2. No exceptions were noted.
    iv. Termination
        1. Crit #45 - In 13 instances of the 79 files reviewed for underwriting and rating involuntary termination for an error percentage of 16%, the Company failed to send member termination letter prior to termination. This is a violation of 45 CFR § 156.270(b)1 - Termination of coverage or enrollment for qualified individuals.
    v. Recission
        1. There were 79 files reviewed.
        2. No exceptions were noted.

g. Claims
    i. Medical Claims-Paid
        1. There were 109 files reviewed.
        2. No exceptions were noted.

    ii. Mental Health Substance Use Disorder Claims-Paid
        1. Crit #17 - In five (5) instances of the 109 mental health substance use disorder paid claim files reviewed, for an error percentage of five percent (5%), the Company failed to pay the claims for mental health substance use disorder within thirty days. This is a violation of 50 Ill. Adm. Code 919.50 a (1).
        2. Crit #20 - In five (5) instances of the 109 mental health substance use disorder paid claim files reviewed, for an error percentage of five percent (5%), the Company failed to notify the beneficiary in writing within forty-five days of claim delays for mental health substance use disorder claims. This is a violation of 50 Ill. Adm. Code 919.70 a (2).

3. Crit #28 - In two (2) instances of the 109 mental health substance use disorder paid claim files reviewed, for an error percentage of two percent (2%), the Company failed to pay the claim with interest at nine percent due to the claim being paid after thirty days. This is a violation of 215 ILCS 5/357.9

iii. Medical Claims-Denied
1. Crit #19 - In four (4) instances of the 109 medical surgical denied Claim files reviewed, for an error percentage of four percent (4%), the Company failed to deny the claims for medical surgical services within thirty days. This is a violation of 50 Ill. Adm. Code 919.50 a (1).
2. Crit #22 - In two (2) instances of the 109 medical surgical denied claim files reviewed, for an error percentage of two percent (2%.), the Company failed to notify the beneficiary in writing within forty-five days of claim delays for medical and surgical denied claims. This is a violation of 50 Ill. Adm. Code 919.70 a (2).

iv. Mental Health Substance Use Disorder Claims-Denied
1. Crit #18 - In four (4) instances of the 109 medical surgical denied claim files reviewed, for an error percentage of four percent (4%), the Company failed to deny the claims for medical surgical services within thirty days. This is a violation of 50 Ill. Adm. Code 919.50 a (1).
2. Crit #21 - In four (4) instances of the 108 mental health substance use disorder denied claim files reviewed, for an error percentage of four percent (4%), the Company failed to notify the beneficiary in writing within forty-five days of claim delays for mental health substance use disorder denied claims. This is a violation of 50 Ill. Adm. Code 919.70 a (2).
3. Crit #24 - In one (1) instance of the 109 mental health substance use disorder denied claim files reviewed, for an error percentage of one percent (1%), the Company failed to process a claim for payment claim denied incorrectly. This is a violation of 215 ILCS 5/154.6(a).

v. Mental Health Substance Use Disorder - Certificates of Coverage and Schedule of Benefits
1. Crit #71 - The Company has noncompliant language in 100% of the Certificates of Coverage and Schedule of Benefits reviewed. The Company states that prior authorization may be required for substance use disorder treatment. This is a violation of 215 ILCS 5/370c (g).

h. Appeals
    i. Appeals
        1. Crit #7 - In 13 instances of the 74 appeal files reviewed, for an error percentage of 18%, the Company failed to provide information on the External Review Rights. This is a violation of 215 ILCS 134/45 (d).
        2. Crit #8 - In 15 instances of the 74 appeal files reviewed, for an error percentage of 20%, the Company failed to notify the party filing an appeal, within 3 business days, of all information that the plan requires to evaluate the appeal. The health care plan shall render a decision on the appeal within 15 business days after receipt of the required information. This is a violation of 215 ILCS 134/45 (c) Health care services appeal, complaints, and external independent reviews.
        3. Crit #9 - In one (1) instance of the 74 appeal files reviewed, for an error percentage of one percent (1%), the Company failed to supply documents needed to complete the appeal review. This is a violation of 215 ILCS 5/132 (2).
        4. Crit #10 - In one (1) instance of the 74 appeal files reviewed, for an error percentage of one percent (1%), the Company failed to provide a mechanism for the timely review by a provider holding the same license and practicing in the same specialty of the patient's provider. This is a violation of 215 ILCS 5/370c b (3) Mental and emotional disorders.

i. Network Adequacy
    i. Provider Directory
        1. Crit #27 - In 116 instances of the network providers submitted for sample review, the sample included an equal portion of 55 medical surgical providers and 58 mental health and substance use disorder providers. In 91 instances of the 116 network provider files reviewed, for an error percentage of 85%, the Provider Directory was accessed from the Ambetter website for Illinois members and then under forms and materials. This printable PDF form ID AMB18-IL-C-00256 shows a date effective July 1, 2019. This PDF was initially accessed on March 22, 2021, then again on April 26, 2021, and lastly on June 14, 2021. The Company failed to provide an up to date and accurate Provider Directory. This is a violation of 45 CFR § 156.230 (b) and 215 ILCS 124/25 (a).

j. Utilization Review
    i. Utilization Review
        1. Crit #11 - In 75 instances of the 229 utilization review files reviewed, for an error percentage of 33%, the Company failed to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies. This is a violation of 215 ILCS 5/154.6 b Acts constituting improper claims practice.
        2. Crit #12 - In three (3) instances of the 229 utilization review files reviewed, for an error percentage of one percent (1%), the Company failed to base all treatment recommendations and the health benefit plan shall base all medical necessity determinations for substance use disorders in accordance with the most current edition of the Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions established by the American Society of Addiction Medicine ("ASAM"). This is a violation of 215 ILCS 5/370c (5.5).
        3. Crit #13 - In one (1) instance of the 229 utilization review files reviewed, for an error percentage of 0.43%, the Company failed to allow a medication a patient had a stable history of without going back through step therapy alternative. This is a violation of 215 ILCS 134/45.1(c)(3) Mental and emotional disorders.
        4. Crit #41 - In 21 instances of the 22 mental health substance use disorder supplemental utilization management files reviewed, for an error percentage of 95.45%, the Company failed to use ASAM criteria for treatment and admission with a diagnosis with substance use disorder. This is a violation of 215 ILCS 5/370 c 5.5.

k. External Review
    i. External Review
        1. There were 4 files reviewed.
        2. No exceptions were noted.

l. Mental Health Parity
    i. Mental Health Parity Review
        1. Crit #72 - For an error percentage of 100%, The Company filed information did not provide a sufficient comparative analysis for the NQTLs for Prior Authorization for inpatient and outpatient services, Medical Necessity, and Experimental and Investigative Treatments and did not provide a sufficient comparative analysis for the prescription drug NQTLs for Medical Necessity, Prior Authorization and Step Therapy. This is a violation of 215 ILCS 5/370.1 (k)(6).

a. Under 215 ILCS 5/370c.1(j) a working group was formed to create instructions and templates to file annually with the Department the Company's NQTL comparative analysis. Unfortunately, the current instructions and templates do not fully encompass the filing requirements under the statutes as outlined in 215 ILCS 5/370c.1(j) & (k). The statue does not empower the working group to supersede, alter, reinterpret, or undermine the statutory requirements as written. Celtic relied heavily on the work from the working group and did not follow all of the statutory requirements in their submission.

m. Pharmacy Review
    i. Pharmacy Medical Claims-Paid
        1. There were 109 files reviewed.
        2. No exceptions were noted.
    ii. Pharmacy Mental Health Substance Use Disorder Claims-Paid
        1. There were 109 files reviewed.
        2. No exceptions were noted.
    iii. Pharmacy Claims-Paid
        1. There were 109 files reviewed.
        2. No exceptions were noted.
    iv. Pharmacy Mental Health Substance Use Disorder Claims-Denied
        1. Crit #29 - In five (5) instances of the 109 denied MH/SUD pharmacy files reviewed, for an error percentage of five (5%), the Company denied due to exceeding a 30- maximum supply limit. This is a violation of 215 ILCS 5/370c.1(e),(g) and 45 CFR 146.136 (c)(4)(i).
        2. Crit #30 - In one (1) instance of the 109 denied MH/SUD pharmacy files reviewed, for an error percentage of one percent (1%), the Company failed to honor a prior authorization on a mental health medication when MED/SURG medications that received a prior authorization did indeed have their prior authorization honored. This is a violation of 215 ILCS 134/45.1 (d)(e), 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i).
        3. Crit #31 - In one (1) instance of the 109 denied MH/SUD pharmacy files reviewed, for an error percentage of one percent (1%), the Company placed a prior authorization on buprenorphine/naloxone 8mg/2mg sublingual tablets and didn't require a prior authorization on other buprenorphine/naloxone brand and generic formulations. This is a violation of 215 ILCS 5/370c (b)(6.5)(A), 215 ILCS 5/370c.1 (e),(g), and 45 CFR 146.136 (c)(4)(i).

v. Pharmacy Medical/ Mental Health Substance Use Disorder - DUR
    1. Crit #49 - In one (1) instance of the 114 pharmacy DUR sample files reviewed, for an error percentage of one percent (1%), the Company didn't use the same processes, strategies, evidentiary standards, or other factors that were comparable to substance abuse medications as it did to MED/SURG medications both as written and in operation. This is a violation of 215 ILCS 5/370c (b)(6.5)(A), 215 ILCS 5/370c.1 (e),(g), and 45 CFR 146.136 (c)(4)(i) General rule.
    2. Crit #54 - In 21 instances of the 114 pharmacy DUR files reviewed, for an error percentage of 18%, the company denied members despite the member previously trying the required prescription drug while under the patient's current or previous health insurance or health benefit plan and the prescribing provider submits evidence of failure or intolerance, or the member was stable on a prescription drug selected by his or her health care provider for the medical condition under consideration while on a current or previous health insurance or health benefit plan. This is a violation of 215 ILCS 134/45.1 (c).
    3. Crit #59 - In three (3) instances of the 114 pharmacy DUR sample files reviewed, for error percentage of three percent (3%), the samples 25, 54, and 76 all had durations of approval for less than 12 months based on Company approvals for these medical exceptions. Sample 25 had a duration of approval of 287 days, sample 54 had a duration of approval of 183 days, and sample 76 had a duration of approval of 183 days. This is a violation of 215 ILCS 134/45.1.
    4. Crit #62 - In 13 instances of the 114 pharmacy DUR files reviewed, for an error percentage of 11%, the Company imposed a restrictive prior authorization/medically necessary policy for ADHD medications, antidepressants, and antipsychotics. This is a violation of 215 ILCS 5/370c.1 (e),(g), and 45 CFR 146.136 (c)(4)(i).

vi. Pharmacy Review
    1. Crit #32 - For an error percentage of 100%, the Company imposed a prior authorization on flumazenil when it's billed through the member's medical benefit, and higher tier placement (Tier 3) on a generic medication approved by the United States Food and Drug Administration prescribed or administered for the treatment of substance use disorders for generic medications, which wasn't the lowest tier of the drug formulary developed and maintained by the individual or group health benefit plan that covers generic medications. The Company imposed a prior authorization requirement on a prescription medication approved by the United States Food and Drug Administration that is prescribed or

administered for the treatment of substance use disorders and didn't place this substance abuse medication on the lowest tier of the drug formulary developed and maintained by the individual or group health benefit plan that covers generic medications. This is a violation of 215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c (b)(6.5)(C).

2. Crit #33 - For an error percentage of 100%, the Company imposed a quantity limitation of 1 tablet per day on all strengths of Latuda which is commercially available as 20mg, 40mg, 60mg, 80mg, and 120mg. With a maximum dose of 160mg/day based on a schizophrenia diagnosis, a member would be required to get a quantity limitation override in order to obtain the FDA approved maximum dose for this diagnosis. Therefore, this quantity limitation is discriminatory to mental health members and a violation of both 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule. This is a violation of 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.
3. Crit #34 - For an error percentage of 100%, the Company imposed higher tier placement on two generic formulations: Naloxone HCL SOCT 0.4mg/ml and Naloxone HCL SOSY 2mg/2ml. Both of these medications were placed as tier 2 medications on the formulary. This is a violation of 215 ILCS 5/370c (b)(6.5)(C).
4. Crit #35 - For an error percentage of 100%, the Company imposed a prior authorization/ medical necessity review on Vivitrol (extended-release naltrexone) during the examination period of February 1, 2019, to January 31, 2020, when members would obtain this medication under their medical benefit. Vivitrol is used in medication assisted treatment ("MAT") indicated for the prevention of relapse to opioid dependence, following opioid detoxification and treatment of alcohol dependence in patients who are able to abstain from alcohol in an outpatient setting. This is a violation of 215 ILCS 5/370c (b)(6.5)(A).
5. Crit #36 - For an error percentage of 100%, the Company placed a prior authorization on Lucemyra tablets. This medication is indicated for mitigation of opioid withdrawal symptoms to facilitate abrupt opioid discontinuation in adults. As a brand name medication prescribed or administered for the treatment of substance use disorders, the Company placed Lucemyra as a tier 3 medication which isn't the lowest tier of the drug formulary developed and maintained by the individual or group health benefit plan that covers brand medications, the Company imposed a prior authorization requirement on a prescription medication approved by the United States Food and Drug Administration that is prescribed or administered for the treatment of substance use disorders, and didn't place this substance abuse medication on the lowest tier of the drug formulary developed and maintained by the

individual or group health benefit plan that covers brand medications. This is a violation of 215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c (b)(6.5)(C).

6. Crit #37 - In 182 instances, the Company limited anti-anxiety medications to a maximum of 30 days per fill and wouldn't allow a 90-day fill or allow a member to use a mail order benefit for the following anti-anxiety medications: alprazolam (tablet, odt, ER, and XR), lorazepam, clonazepam, diazepam, chlordiazepoxide (used to relieve symptoms of sudden alcohol withdrawal), clorazepate, oxazepam, buspirone, hydroxyzine hcl, and hydroxyzine pamoate. Limiting these anti-anxiety medications to a maximum of 30 days, denying a 90-day fill, and mail order benefits compared to MED/SURG medications in which many are defined as maintenance medication allowing for 90-day fills, a copay incentive, and mail order benefits is discriminatory to mental health members and a violation of both 215 ILCS 5/370c.1 (e), (g) and 45 CFR 146.136 (c)(4)(i) General rule.
7. Crit #38 - In four (4) instances, the Company limited antipsychotic medications to a maximum of 30 days per fill and wouldn't allow a 90-day fill or allow a member to use a mail order benefit for the following antipsychotics: Fanapt, Risperdal Consta, haloperidol lactate, haloperidol decanoate, Clozapine, Clozapine ODT, Fazaclo, olanzapine, chlorpromazine HCL, chlorpromazine hydrochloride, fluphenazine HCL, compro, and prochlorperazine. Limiting these antipsychotic medications to a maximum of 30 days, denying a 90-day fill, and mail order benefits compared to MED/SURG medications in which many are defined as maintenance medication allowing for 90-day supply fills, a copay incentive, and mail order benefits is discriminatory to mental health members and a violation of both 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.
8. Crit #39 - For an error percentage of 100%, the Company imposed a quantity limitation of 2 orally disintegrating tablets per day on all strengths of Risperidal M tabs and risperidone odt tabs (0.25 mg, 0.5 mg, 1 mg, 2 mg, 3 mg, and 4 mg) on both brand and generic. Limiting risperidone and not allowing members to obtain both FDA approved, and manufacturer recommended dosing without authorization is discriminatory to mental health members and a violation of both 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.
9. Crit #40 - In 48 instances, the Company limited smoking cessation medications to a maximum of 30 days per fill and wouldn't allow a 90-day fill or allow a member to use a mail order benefit. This impacted the following smoking cessation mediations: all nicotine replacement treatment (gum, lozenge, patches, sprays, and inhalers), bupropion SR, Zyban, and Chantix. Limiting

medications used for smoking cessation to a maximum of 30 days, denying a 90-day fill, and mail order benefits compared to MED/SURG medications in which many are defined as maintenance medications allowing for 90-day fills, a copay incentive, and mail order benefits is discriminatory to substance abuse members and a violation of both 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.

10. Crit #47 - For an error percentage of 100%, the Company imposed a quantity limitation on Evzio (naloxone hcl solution auto-injector 0.4mg/0.4ml and naloxone hcl solution auto-injector 2mg/0.4ml on both brand and generic). Evzio (naloxone auto-injector) was limited to 1 fill every 90 days. If a member would require another fill within a 90-day period, they would need an authorization/override from their prescriber which is prohibited. Members can obtain additional fills every 90 days, or an override can be requested if an earlier fill is needed. Therefore, based on a prior authorization/ medical necessity review in order to override a quantity limitation if needed for Evzio, this restriction is in violation of 215 ILCS 5/370c (b)(6.5)(A).
11. Crit #48 - In 334 instances, the Company had medication policies that required step therapy that weren't honored for 12 months; this is a violation of 215 ILCS 134/45.1.
12. Crit #50 - For an error percentage of 100%, the Company policy CP.PHAR.103, the approval duration for primary immunodeficiency is 6 months for both Medicaid/HIM and Commercial (6 months or to the member's renewal date, whichever is longer). According to 215 ILCS 5/356z.24 Immune gamma globulin therapy, patients with a diagnosis of primary immunodeficiency who have been receiving immune gamma globulin therapy for at least 2 years with sustained beneficial response based on the treatment notes or clinical narrative detailing progress to date, reauthorization shall be no less than 12 months unless a more frequent duration has been indicated by the prescribing physician. Therefore, this policy for immune globulins used in primary immunodeficiency is in violation of the requirements in accordance with 215 ILCS 5/356z.24 (b).
13. Crit #51 - For an error percentage of 100%, the Company imposed a prior authorization arbitrarily on buprenorphine/naloxone 2mg/0.5mg and buprenorphine/naloxone 8mg/2mg sublingual tablets and didn't require a prior authorization on other buprenorphine/naloxone brand and generic formulations. This creates a barrier to treatment when a member is prescribed this medication for treatment of opioid use disorder ("OUD"). The Company allowed opioid medications (short acting formulations) without a prior authorization allowing for immediate access for up to a 7-day supply during the examination period. This is a violation

of Illinois State Statutes 215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c.1 (e),(g), and the Mental Health Parity and Addiction Equity Act (MHPAEA) 45 CFR 146.136 (c)(4)(i) General rule.

14. Crit #52 - For an error percentage of 100%, the Company limited medication assisted treatment ("MAT") to a maximum of 30 days per fill, wouldn't allow a 90-day fill, or allow a member to use a mail order benefit during the examination period of February 1, 2019, to January 31, 2020. This impacted the following MAT medications: buprenorphine sublingual tablets, buprenorphine/naloxone sublingual films, buprenorphine/naloxone sublingual tablets, naltrexone, Bunavail, Suboxone films, and Zubsolv. The Company provided that they use Medispan maintenance indicators to determine if a medication is a maintenance medication. The Company didn't provide comparable processes, strategies, evidentiary standards, or other factors behind the reason why these medications had this limitation compared to MED/SURG. Limiting medications used for MAT to a maximum of 30 days, denying a 90-day fill, and mail order benefits compared to MED/SURG medications in which many are defined as maintenance medications allowing for 90-day fills, a copay incentive, and mail order benefits is discriminatory to substance abuse members and a violation of both 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.
15. Crit #53 - For an error percentage of 100%, the Company placed the following brand name substance abuse medications, Antabuse, Zyban (effective 1/1/2020), and Suboxone films (on all strengths effective 1/1/2020) as non-formulary medications on their formulary. This creates a barrier to treatment when a member is prescribed these medications for substance abuse treatment. Any non-formulary exception request or authorization from the member's provider is prohibited based on Illinois State Statutes regarding substance abuse and is a violation of 215 ILCS 5/370c (b)(6.5)(A).
16. Crit #55 - For an error percentage of 100%, the Company imposed a prior authorization/ medical necessity review on Probuphine and Sublocade during the examination period of February 1, 2019, to January 31, 2020. Probuphine is indicated for the maintenance treatment of opioid dependence in patients who have achieved and sustained prolonged clinical stability on low-to-moderate doses of a transmucosal buprenorphine-containing product, and Sublocade is indicated for the treatment of moderate to severe opioid use disorder in patients who have initiated treatment with a transmucosal buprenorphine containing product, followed by dose adjustment for a minimum of 7 days. This is based on the Company policy CP.PHAR.289. Therefore, this step therapy requirement would make 215 ILCS 134/45.1 Medical exceptions

procedures required applicable specifically to 215 ILCS 134/45.1 (e). Since the duration of approval is 6 months on both medications, this policy would be in violation of 215 ILCS 134/45.1 (e).

17. Crit #56 - For an error percentage of 100%, the Company imposed a more restrictive medically necessary policy on Spravato (CP.PMN.199) during the examination period of February 1, 2019, to January 31, 2020. The Spravato policy requires the following criteria: failure of two antidepressants (e.g., selective serotonin reuptake inhibitor [SSRI], serotonin-norepinephrine reuptake inhibitor [SNRI], tricyclic antidepressant [TCA], bupropion, mirtazapine) from at least two different classes at up to maximally indicated doses but no less than the commonly recognized minimum therapeutic doses, each used for ≥ 8 weeks (which is on the higher end of an acceptable trial period for initial therapy), unless contraindicated or clinically significant adverse effects are experienced; failure of two of the following antidepressant augmentation therapies, each used for ≥ 4 weeks, unless contraindicated or clinically significant adverse effects are experienced: second generation antipsychotic, lithium, thyroid hormone, buspirone; currently on an oral antidepressant for at least two weeks (must not be one of the aforementioned agents previously failed), and approval durations (4 week for initial approval criteria and 6 months approval for continued therapy). The requirements in the Spravato policy are more restrictively/stringently applied compared to these MED/SURG policies. This policy is in violation of both Illinois State Statutes 215 ILCS 5/370c.1 (e),(g) and the Mental Health Parity and Addiction Equity Act (MHPAEA) 45 CFR 146.136 (c)(4)(i) General rule and 215 ILCS 134/45.1 Medical exceptions procedures required (e).
18. Crit #57 - In 259 instances of 554 claims for inhalants, for an error percentage of 47%, the Company limited coverage of the following prescription inhalants used for members who suffer from asthma or other life-threatening bronchial ailments. The Company's denials, limits, and allowance of utilization management techniques on these medications this is a violation of 215 ILCS 5/356z.5.
19. Crit #58 - In 13 instances, the Company imposed a restrictive medically necessary policy on 2 antipsychotic medications used as adjunct medication therapies for Major Depressive Disorder ("MDD"). The Company didn't use the same processes, strategies, evidentiary standards, or other factors used in applying this nonquantitative treatment limitation on these mental health medication policies for MDD that would be comparable to, and were applied more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the

limitation with respect to medical surgical/benefits in the classification. This is a violation of both Illinois State Statutes 215 ILCS 5/370c.1 (e),(g) and the Mental Health Parity and Addiction Equity Act (MHPAEA) 45 CFR 146.136 (c)(4)(i) General rule.

20. Crit #60 - In 10 instances, the Company imposed a quantity limitation on buprenorphine/ naloxone 8mg/2mg sublingual films (both brand Suboxone 8mg/2mg films and generic) which is the most commonly prescribed strength of the film formulation. Limiting this dose on buprenorphine/naloxone films 8mg/2mg which is the most commonly prescribed strength of this formulation is more restrictive compared to many MED/SURG medications that have dosage allowances of multiple units per day despite other commercially available dosages/strengths. This is a violation of Illinois State Statutes 215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c.1 (e),(g) the Mental Health Parity and Addiction Equity Act (MHPAEA) 45 CFR 146.136 (c)(4)(i) General rule.
21. Crit #61 - For an error of percentage of 100%, the Company imposed a prior authorization on buprenorphine 2mg and buprenorphine 8mg sublingual tablets for pregnancy, contraindication/intolerance to buprenorphine/naloxone, and induction treatment (quantity limitation and 5day duration) during the examination period. The Company didn't use the same processes, strategies, evidentiary standards, or other factors that were comparable to substance abuse medications as it did to MED/SURG medications both as written and in operation. This is a violation of Illinois State Statutes 215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c.1 (e),(g) the Mental Health Parity and Addiction Equity Act (MHPAEA) 45 CFR 146.136 (c)(4)(i) General rule.
22. Crit #63 - For an error percentage of 100%, the Company imposed a restrictive prior authorization/medically necessary policy on 3 brand name antidepressants, Fetzima (HIM.PA.125), Trintellix (CP.PMN.65), and Viibryd (CP.PMN.145) during the examination period. Based on the criteria and NQTLs in the medically necessary policies for Fetzima (HIM.PA.125), Trintellix (CP.PMN.65), and Viibryd (CP.PMN.145), first line treatment options and trial lengths are more stringently applied based on the processes, strategies, evidentiary standards, or other factors for treating MDD, and the MED/SURG policies provided aren't comparable with treatment limitations less stringently applied. This is a violation of 215 ILCS 5/370c.1 (e),(g) and the Mental Health Parity and Addiction Equity Act (MHPAEA) 45 CFR 146.136 (c)(4)(i) General rule.
23. Crit #64 - For an error percentage of 100% (one instance), the Company doesn't have an adequate policy in place to ensure follow through for long-term therapy for tick-borne diseases. The

Long-term antibiotic therapy is mandated for a person with a tick-borne disease when determined to be medically necessary and ordered by a physician licensed to practice medicine in all its branches after making a thorough evaluation of the person's symptoms, diagnostic test results, or response to treatment as well as experimental drug coverage for long-term antibiotic therapy if the medication is approved for an indication by the United States Food and Drug Administration. A drug, including an experimental drug, shall be covered for off label use in the treatment of a tick-borne disease if the drug has been approved by the United States Food and Drug Administration. This is a violation of 215 ILCS 5/356z.33 long-term antibiotic therapy for tick-borne diseases.

24. Crit #66 - For an error percentage of 100%, the Company placed all brand name antidepressant medications on the non-preferred tier, tier 3, effective January 1, 2020, on their formulary for all plans. Placing all brand name antidepressant medications (brands with or without commercially available alternatives) on the non-preferred tier 3 compared to many MED/SURG medications offered on the preferred tier 2 (medications that have both their generic medications and therapeutic generic equivalents placed in tier 1), offering no preferred tier 2 brand name antidepressants, and incorporating arbitrary cost factors by way of relative cost factors is discriminatory to mental health members. This is a violation of 215 ILCS 5/370c.1 (d),(e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.
25. Crit #67 - For an error percentage of 100%, the Company placed all brand name ADHD medications on the non-preferred tier, tier 3, effective January 1, 2020, on their formulary for all plans. Placing all brand name ADHD medications (brands with or without commercially available alternatives) on the non-preferred tier 3 compared to many MED/SURG medications offered on the preferred tier 2 (medications that have both their generic medications and therapeutic generic equivalents placed in tier 1), offering no preferred tier 2 brand name ADHD medications, and incorporating arbitrary cost factors by way of relative cost factors is discriminatory to mental health members. This is a violation of 215 ILCS 5/370c.1 (d),(e),(g) and 45 CFR 146.136 (c)(4)(i) General rule.
26. Crit #69 - The Company limited all HIV/AIDS medications to a maximum of 30 days per fill, wouldn’t allow a 90-day fill, or allow a member to use a mail order benefit with the copay incentive. Limiting HIV/AIDS medications to a maximum of 30 days, denying a 90-day fill, and excluding a 90-day mail order benefit which offers a copay or financial incentive, can affect member compliance by limiting access/supply of a maintenance

medication. This is a violation of 45 CFR § 156.125 Prohibition on discrimination affecting the quality of life of these members.

27. Crit #70 - For an error percentage of 100%, the Company does not have a policy and procedure specific for cardiovascular disease. Cardiovascular disease is a leading cause of death and disability, and the State of Illinois requires that an insurer providing group or individual policies of accident and health insurance, or a managed care plan shall develop and implement a process to communicate with their adult enrollees on an annual basis regarding the importance and value of early detection and proactive management of cardiovascular disease. This is a violation of 215 ILCS 5/356z.19 cardiovascular disease.

VIII. 2022 NETWORK ADEQUACY REVIEW

The Illinois Department of Insurance ("DOI") requested a targeted examination be conducted on Ambetter of Illinois, Underwritten by Celtic Insurance Company ("Company"), regarding their 2022 network adequacy data submitted as part of their request to remain a Qualified Health Plan ("QHP"). The examination was conducted using currently available data projecting the Company's network status for the plan year beginning on January 1, 2022.

Finding:
The Company failed to utilize the maximum travel time and distance time standards for Ambetter Guide Search. This is a violation of 215 ILCS 124/10(b)(5)(c). The Company is not using driving distance but rather the distance between latitude and longitude (straight line) when calculating distance. Crit 74

Observations:
The Company neglected to request exemptions when they had identified gaps in coverage. The Company provided a listing of gaps in coverage as of January 1, 2021, for the 2021 data cycle that shows the Company was already aware that there were gaps in coverage for the 2021 cycle at the beginning of the year and are aware of gaps in coverage for the 2022 cycle.

Exemptions that were requested for psychiatric coverage for the 2022 plan year in Madison and St. Clair counties identified a facility that does not meet the definition of a psychiatric facility, the hospital is only an acute care facility.

The Company admitted in writing that they are not following Illinois statute (215 ILCS 124/Section 25 a.3.) related to conducting periodic updates of existing providers (at least 25% periodically) nor are they inquiring with any provider that has not had a claim to verify they are still in-network. The Company indicated they process affected claims that are brought to their attention and, pursuant to the Department's directive, will be updating their processes and procedures to include a more robust review of existing providers.

The Company acknowledged and fixed many of the issues with the website while the examination was in progress including updating Provider Directories from 2019 to current 2021.

On January 1, 2022, an amendment will be in effect for 215 ILCS 5/370c which includes: Amendments to the Illinois Insurance Code. Provides that an insurer that amends, delivers, issues, or renews group accident and health policies providing coverage for hospital or medical treatment or services for illness entered into on or after January 1, 2022, shall ensure that the insured have timely and proximate access to treatment for mental, emotional, nervous, or substance use disorders or conditions. This new legislation requires even more stringent requirements for network adequacy for providers, facilities, and hospitals than in previous years. Based on the targeted examination conducted for

the 2022 data year, there are concerns the Company may incur challenges meeting these new requirements.

EXAMINATION DRAFT REPORT SUBMISSION

The courtesy and cooperation of the officers and employees of the Company during the examination are acknowledged and appreciated.

Elizabeth Harvey
Leslie Keck
Trisha Rothgangel
Bruce Glaser
June Coleman
Kirk Stephen
Tim Clement
Sam Muszynski
Marilyn Vadon
Peggy Hermann
André J. Mumper-Ham, Examiner-in-Charge
Shelly Schuman, Supervisory Insurance Examiner

Respectfully submitted,

André J. Mumper-Ham
ANDRÉ J. MUMPER-HAM
EXAMINER-IN-CHARGE

Shelly Schuman

SHELLY SCHUMAN
SUPERVISING EXAMINER

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

IN THE MATTER OF:

CELTIC INSURANCE COMPANY
200 EAST RANDOLPH STREET, SUITE 3600
CHICAGO, IL. 60601

STIPULATION AND CONSENT ORDER

WHEREAS, the Director of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Celtic Insurance Company ("the Company"), NAIC 80799, is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report covering the examination period of August 1, 2018, through January 31, 2020, which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands their various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407, and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, they waive any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS AGREED by and between the Company and the Director as follows:

1. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and

2. The Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain policies and procedures whereby the Company shall maintain adequate record retention timeframes for administrative projects pertaining to current business transactions. 50 Ill. Adm. Code 901.20(a) and 215 ILCS 5/133(1)(2)

2. Institute and maintain policies and procedures whereby the Company shall maintain the minimum information of the complaint record for seven years. 50 Ill. Adm. Code 926.50

3. Institute and maintain policies and procedures whereby the Company shall provide adequate resolution to the members complaint. 215ILCS 5/143db

4. Institute and maintain policies and procedures whereby the Company shall provide the member information on Mental Health and Substance Use Disorder complaints that was no more restrictive than that of Medical Surgical. 45 CFR 146.136 C(4)

5. Institute and maintain policies and procedures whereby the Company shall supply adequate documentation that explains all actions taken or not taken and that were the basis for the complaint. 50 Ill. Adm. Code 926.40(b)(1) and 50 Ill. Adm. Code 926.40(b)(2)

6. Institute and maintain policies and procedures whereby the Company shall respond to the Department of Insurance complaint within 21-day timeframe specified by the department. 215 ILCS 125 4-6(b)

7. Institute and maintain policies and procedures whereby the Company shall provide specific documentation in the files that are needed to verify the process of responding to provider inquiries. 215 ILCS 5/132(2)

8. Institute and maintain policies and procedures whereby the Company shall file the member handbook with the DOI. 215 ILCS 5/143

9. Institute and maintain policies and procedures whereby the Company shall not circulate a member handbook knowing that it was disapproved by the Department of Insurance. 215 ILCS 5/149 (1)(4)

10. Institute and maintain policies and procedures whereby the Company shall send member termination letter prior to termination. 45CFR§ 156.270(b)1

11. Institute and maintain policies and procedures whereby the Company shall provide coverage for treatment for substance use disorder without prior authorization. 215 ILCS 5/370c(g)

12. Institute and maintain policies and procedures whereby the Company shall provide information on the External Review Rights. 215 ILCS 134/45(d)

13. Institute and maintain policies and procedures whereby the Company shall notify the party filing an appeal, within 3 business days, of all information that the plan requires to evaluate the appeal. The health care plan shall render a decision on the appeal within 15 business days after receipt of the required information. 215 ILCS 134/45(C)

14. Institute and maintain policies and procedures whereby the Company shall provide an up to date and accurate provider directory. 215 ILCS 124/25(a) and 45 CFR § 156.230(b)

15. Institute and maintain policies and procedures whereby the Company shall acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies. 215 ILCS 5/154.6(b)

16. Institute and maintain policies and procedures whereby the Company shall use ASAM criteria for treatment and admission with a diagnosis with substance use disorder. 215 ILCS 5/370c(5.5) and 215 ILCS 5/370c(b)(3)

17. Institute and maintain policies and procedures whereby the Company shall provide a sufficient comparative analysis for the NQTLs for Prior Authorization for inpatient and outpatient services, Medical Necessity, and Experimental and Investigative Treatments in compliance with 215 ILCS 5/370.1(k)(6)

18. Institute and maintain policies and procedures whereby the Company shall not deny access to prescriptions despite the member previously trying the required prescription drug while under the patient's current or previous health insurance or health benefit plan and the prescribing provider submits evidence of failure or intolerance, or the member was stable on a prescription drug selected by his or her health care provider. 215 ILCS 134/45.1

19. Institute and maintain policies and procedures whereby the Company shall not impose a restrictive prior authorization/medically necessary policy for ADHD medications, antidepressants, and antipsychotics. 215ILCS 5/370c.1(e),(g), and 45 CFR 146.136(c)(4)(i)

20. Institute and maintain policies and procedures whereby the Company shall not impose a prior authorization on a generic medication approved by the United States Food and Drug Administration prescribed or administered for the treatment of substance use disorders for generic medications, which wasn't the lowest tier of the drug formulary developed and maintained by the individual or group health benefit plan that covers generic medications. 215 ILCS 5/370c(b)(6.5)(A) and 215 ILCS 5/370c(b)(6.5)(c)

21. Institute and maintain policies and procedures whereby the Company shall place two generic formulations prescribed or administered for the treatment of substance use disorders on the lowest tier of the drug formulary developed and maintained by the individual or group health benefit plan that covers generic medications. 215ILCS 5/370c(b)(6.5)(c)

22. Institute and maintain policies and procedures whereby the Company shall not impose a prior authorization/medical necessity review on medication when members would obtain this medication under their medical benefit. 215 ILCS 5/370c(b)(6.5)(A)

23. Institute and maintain policies and procedures whereby the Company shall not impose a prior authorization requirement on a prescription medication approved by the United States Food and Drug Administration that is prescribed or administered for the treatment of substance use disorders and shall place this substance abuse medication on the lowest tier of the drug formulary. 215 ILCS 5/370c(b)(6.5)(A) and 215 ILCS 5/370c(b)(6.5)(c)

24. Institute and maintain policies and procedures whereby the Company shall not place a 30-day limitation on Anti-Anxiety Medications. 215ILCS 5/370c.1(e),(g) and 45 CFR 146.136(c)(4)(i).

25. Institute and maintain policies and procedures whereby the Company shall not place a 30-day limitation on anti-psychotic. 215 ILCS 5/370c.1(e),(g) and 45 CFR 146.136(c)(4)(i).

26. Institute and maintain policies and procedures whereby the Company shall not impose quantity limitations on Risperidone TBDP Tablets. 215 ILCS 5/370c.1(e),(g) and 45 CFR 146.136(c)(4)(i)

27. Institute and maintain policies and procedures whereby the Company shall not place a 30-day limitation on Smoking Cessation Medications. 215 ILCS 5/370c.1 (e),(g) and 45 CFR 146.136 (c)(4)(i)

28. Institute and maintain policies and procedures whereby the Company shall not impose a quantity limitation on Evzio (naloxone hcl solution auto-injector 0.4mg/0.4ml and naloxone hcl solution auto-injector 2mg/0.4ml on both brand and generic). 215 ILCS 5/370c (b)(6.5)(A)

29. Institute and maintain policies and procedures whereby the Company shall uphold regulations regarding step therapy which are to be honored for 12 months following the date of the approval or until renewal of the plan. 215 ILCS 134/45.1

30. Institute and maintain policies and procedures whereby the Company shall comply with standard requiring reauthorizations shall be no less than 12 months unless a more frequent duration has been indicated by the prescribing physician. 215 ILCS 5/356z.24

31. Institute and maintain policies and procedures whereby the Company shall not impose a prior authorization arbitrarily on buprenorphine/naloxone 2mg/0.5mg and buprenorphine/naloxone 8mg/2mg sublingual tablets in compliance with 215 ILCS 5/370c (b)(6.5)(A) and 215 ILCS 5/370c.1 (e),(g), and the Mental Health Parity and Addiction Equity Act (MHPAEA) 45 CFR 146.136 (c)(4)(i)

32. Institute and maintain policies and procedures whereby the Company shall not limit medication assisted treatment (MAT) to a maximum of 30 days per fill. 215 ILCS 5/370c.1(e),(g) and 45 CFR 146.136(c)(4)(i)

33. Institute and maintain policies and procedures whereby the Company shall not place the following brand name substance abuse medications, Antabuse, Zyban, and Suboxone films as non-formulary medications on their formulary. 215 ILCS 5/370c (b)(6.5)(A)

34. Institute and maintain policies and procedures whereby the Company shall not impose a prior authorization/medical necessity review on Probuphine and Sublocade when members could obtain these medications under their medical benefit. 215 ILCS 134/45.1, 215 ILCS 5/370c(b)(6.5)(A) and § 156.111

35. Institute and maintain policies and procedures whereby the Company shall not impose a more restrictive medically necessary policy on Spravato. 215 ILCS 5/370c.1(e),(g), 45 CFR 146.136 (c)(4)(i), and 215 ILCS 134/45.1

36. Institute and maintain policies and procedures whereby the Company shall not limit coverage of the prescription inhalants used for members who suffer from asthma or other life-threatening bronchial ailments. 215 ILCS 5/356z.5

37. Institute and maintain policies and procedures whereby the Company shall not impose a restrictive medically necessary policy on antipsychotic medications used as adjunct medication therapies for Major Depressive Disorder (MDD). 215 ILCS 5/370c.1(e),(g) and 45 CFR 146.136(c)(4)(i)

38. Institute and maintain policies and procedures whereby the Company shall not impose a quantity limitation on buprenorphine/naloxone 8mg/2mg sublingual films (both brand Suboxone 8mg/2mg films and generic). 215 ILCS 5/370c(b)(6.5)(A), 215 ILCS 5/370c.1(e),(g), and 45 CFR 146.136 (c)(4)(i)

39. Institute and maintain policies and procedures whereby the Company shall not impose a prior authorization on buprenorphine 2mg and buprenorphine 8mg sublingual tablets for pregnancy, contraindication/intolerance to buprenorphine/naloxone, and induction treatment (quantity limitation and 5- day duration). 215 ILCS 5/370c(b)(6.5)(A) and 215 ILCS 5/370c.1(e),(g) and 45 CFR 146.136(c)(4)(i)

40. Institute and maintain policies and procedures whereby the Company shall not impose a restrictive prior authorization/medically necessary policy on 3 brand name antidepressants, Fetzima, Trintelli, and Viibryd. 215 ILCS 5/370c.1(e),(g) and 45 CFR 146.136(c)(4)(i)

41. Institute and maintain policies and procedures whereby the Company shall have an adequate policy in place to ensure follow through for long-term therapy for tick-borne diseases. 215 ILCS 5/356z.33

42. Institute and maintain policies and procedures whereby the Company shall not place all brand name antidepressant medications on the non-preferred tier, tier 3, on their formulary for all plans. 215 ILCS 5/370c.1(d),(e),(g) and 45 CFR 146.136(c)(4)(i)

43. Institute and maintain policies and procedures whereby the Company shall not place all brand name ADHD medications on the non-preferred tier, tier 3, effective 1/1/2020 on their formulary for all plans. 215 ILCS 5/370c.1(d),(e),(g) and 45 CFR 146.136 (c)(4)(i)

44. Institute and maintain policies and procedures whereby the Company shall not limit all HIV/AIDS medications to a maximum of 30 days per fill. 45 CFR § 156.125

45. Institute and maintain policies and procedures whereby the Company shall have a policy and procedure specific for cardiovascular disease. 215 ILCS 5/356z.19

46. Institute and maintain policies and procedures whereby the Company shall follow proper time and distance standards as required under 215 ILCS 124/10(b)(5)(c).

Submit to the Director of Insurance, State of Illinois, proof of compliance with the above forty-six (46) orders within thirty (30) days of execution of this Order.

Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of $1,250,000.$\underline{00}$ to be paid within ten (10) days of execution of this Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code including, but not limited to, levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of CELTIC INSURNACE COMPANY

Signature

Kevin J. Counihan
Name

President, Ambetter Health
Title

Subscribed and sworn to before me this
13 day of September 2022.

Notary Public

LAURA L. GREENO
Notary Public, Notary Seal
State of Missouri
St. Louis County
Commission # 12426339
My Commission Expires 12-18-2024

DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE September 14, 2022

Dana Popish-Severinghaus
Director