



Illinois Department of Insurance

JB PRITZKER
Governor

**DANA POPISH
SEVERINGHAUS**
Director

March 18, 2022

Maurice Shena Smith, President
HEALTH CARE SERVICE CORPORATION, A Mutual Reserve Company
300 E. Randolph Street
Chicago, IL 60601

Re: Notice of Apparent Liability for late filing of Network Adequacy

Dear Mr. Smith:

You are hereby notified that Health Care Service Corporation, A Mutual Legal Reserve Company, has failed to file on a timely basis with the Director of Insurance the above referenced documents as required by the Network Adequacy and Transparency Act (“NATA”). The NATA (215 ILCS 124/10(h)) requires that “insurers report to the Director any material change to an approved network plan within 15 days after the change occurs”. The networks materially changed for the Health Management Organization (HMO) plans effective July 1, 2021, requiring a filing submission date of July 16, 2021. The networks for the Preferred Provider Organizations (PPO) plans materially changed effective November 17, 2021, requiring filing submission date of December 2, 2021, to comply with the 15-day filing requirement pursuant Section 124/10(h). However, your filings were submitted as follows:

- Four (4) PPO Network Adequacy Filings on March 3, 2022 - 95 days late
- Two (2) HMO Network Adequacy Filings on March 17, 2022 - 244 days late

Therefore, the Company shall pay \$1,000 per day or \$339,000 for non-compliance.

The entire civil penalty is due immediately and should be remitted to the Department. You are further notified that if you wish to contest this civil penalty, written communication must be postmarked within ten days of the receipt of this Notice. You may either submit a written request for a hearing or show in writing why the Company should not be held liable. Any inquiry should be directed to Shannon Whalen at shannon.whelen@illinois.gov.

Sincerely,

Dana Popish Severinghaus
Director of Insurance

Certified Mail Return Receipt Requested
Enclosure

Springfield Office
320 W. Washington Street
Springfield, Illinois 62767
(217) 782-4515

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122 S. Michigan Ave., 19th Floor
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(312) 814-2420