

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking and
Insurance, State of New Jersey, to fine Oscar
Garden State Insurance Corporation

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CONSENT ORDER

TO: Oscar Garden State Insurance Corporation
295 Lafayette Street
New York, NY 10012

This matter having been opened by the Commissioner of Banking and Insurance, State of New Jersey, ("Commissioner"), upon information that Oscar Garden State Insurance Corporation ("Oscar"), may have violated provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Oscar is a domestic insurance company authorized to transact business in New Jersey pursuant to N.J.S.A. 17B:18-42 since September 28, 2017; and

WHEREAS, pursuant to N.J.A.C. 11:22-1.16, a carrier must provide an explanation of benefits (EOB) to covered persons in response to the filing of a claim under a health benefits plan which shall contain, among other things, the name of the provider, a clear description of the service, any noncovered amount, a specific explanation of why a charge is not covered and the amount paid by the plan with interest shown separately, if interest is paid; and

WHEREAS, carriers issuing health benefits plans are required to provide applicants and covered persons with a form called Summary of Benefits and Coverage

(SBC) pursuant to 26 C.F.R. 54.9815-2715, 29 C.F.R. 2590.715-2715 and 45 C.F.R. 145.200; and

WHEREAS, N.J.S.A. 17B:30-3 provides, in pertinent part, that no person shall make, issue, circulate or cause to be made, issued or circulated, any estimate, illustration, circular or statement misrepresenting the terms of any policy or annuity contract issued or to be issued; and

WHEREAS, N.J.S.A. 17B:30-13.1a provides that misrepresentation of pertinent facts or insurance policy provisions relating to coverages at issue is considered an unfair claims settlement practice; and

WHEREAS, N.J.S.A. 17B:26-9.1d(1) and N.J.S.A. 17B:27-44.2d(1) provide that carriers shall remit payment for claims with 30 days for electronically submitted and 40 days for claims not submitted electronically if the provider is eligible on the date of service, the patient was covered on the date of service, the claim is for a service or supply covered by the health benefits plan, the claim is submitted with all requested information and there is no reason to believe the claim was submitted fraudulently; and

WHEREAS, Oscar issued EOBs that did not contain all the information required by N.J.A.C. 11:22-1.16(b); and

WHEREAS, Oscar issued SBCs with incorrect information as to the out of pocket limit, facility cost sharing, the penalty for failure to obtain preauthorization, the supply limit on specialty drugs and visit limits on certain services; and

WHEREAS, Oscar improperly applied both an office visit copay and deductible and/or coinsurance on services rendered during the office visit in its claim processing; and

WHEREAS, Oscar has revised its EOBs and claims processing and has reprocessed any claims to which cost sharing was erroneously applied; and

WHEREAS, Oscar has corrected and issuing revised SBCs with explanatory letters to covered person; and

NOW, THEREFORE, IT IS on this 19th day of September, 2018

ORDERED and AGREED that Oscar shall pay a fine in the amount of five hundred thousand dollar (\$500,000.00); and

IT IS FURTHER ORDERED and AGREED that said fine shall be paid by a certified check or money order, made payable to "State of New Jersey - General Treasury" or by wire transfer; and


IT IS FURTHER ORDERED AND AGREED that Oscar shall cease and desist from engaging in the conduct that gave rise to the Consent Order and shall hereafter comply in all respects with the New Jersey insurance statutes and regulations; and

IT IS FURTHER ORDERED and AGREED that the provisions of this Consent Order represent a final agency decision and constitutes a final resolution of the only the violations specified herein.



Marlene Caride
Commissioner

Consented to as to Form, Content and Entry:



BRUCE GOTTLIEB

9/18/18

Oscar Garden State Insurance Corporation

Date