

IN THE MATTER OF THE FAILURE OF)
GREAT-WEST HEALTHCARE OF)
NEW JERSEY, INC., TO TIMELY)
SUBMIT ITS ANNUAL ASSESSED PER)
LIFE FEE)

ADMINISTRATIVE ORDER

THIS MATTER having been opened by the Department of Health and Senior Services (Department) in accordance with the authority set forth at N.J.S.A. 26:1A-15, and N.J.S.A. 26:2J-1 et seq.;

WHEREAS, N.J.S.A. 26:2J-23c requires health maintenance organizations (“HMOs”) submit a payment of \$1.50 per life per year annually no later than July 15 for the preceding calendar year;

WHEREAS, the Department calculated the mean number of lives for each HMO using enrollment information reported by the HMOs in their required quarterly and annual reports, without inclusion of Medicare or Medicaid lives, and reduction of the mean total lives by any lives covered under the Federal Employee Health Benefits Plan reported on an HMO’s Annual Supplement;

WHEREAS, Great-West Health Care of New Jersey, Inc. (“Great-West”), formerly known as One Health Plan, Inc., is an HMO;

WHEREAS, the Department calculated that Great-West had an average of 686.75 lives for the 2003 calendar year, multiplied the number of lives by \$1.50 and assessed a fee of \$1,030.13 against Great-West;

WHEREAS, the Department notified Great-West of the assessment by a letter addressed to Frank Kevin Tylus, President of Great-West dated May 28, 2004;

WHEREAS, the May 28, 2004 letter to Frank Kevin Tylus setting forth the assessment was sent by regular mail and facsimile to the corrected address and facsimile numbers obtained by the Department;

WHEREAS, the May 28, 2004 letter included the deadline instructions for submitting payment as well as instructions for obtaining more information should the letter's recipient have questions;

WHEREAS, Great-West did not submit the required fee to the Department on or before July 15, 2004;

WHEREAS, Great-West having submitted the required fee on July 27, 2004, failed to timely submit the required fee on or before July 15 as set forth in the May 28, 2004 letter;

NOW, THEREFORE, IT IS ORDERED on this 9th day of August that:

1. Great-West shall pay a fine of Two Thousand Dollars (\$2,000), determined by multiplying 8 business days by \$250, for failing to submit its annual assessed per life fee on or before July 15, 2004 in accordance with N.J.S.A. 26:2J-23c.

2. Great-West shall submit payment of the fine to the Director of the Office of Managed Care by check or money order made payable to "Treasurer, State of New Jersey," in a single sum no later than the date this paragraph becomes effective, as specified in paragraph 5 of this Order;

3. Obligations under this Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of law and the protection of public health, safety and welfare and are not intended to constitute a debt or debts subject to limitation or discharge in a bankruptcy proceeding.

4. All numbered paragraphs of this Order, other than paragraphs 1 and 2 shall be effective as of the date of the Order, and no paragraphs of this Order shall be stayed pending the

conclusion of an administrative hearing and the rendering of a final decision by the Commissioner of the Department, except as paragraph 5 applies.

5. Paragraphs 1 and 2 shall become effective 30 days following the date of this Order, in accordance with N.J.A.C. 8:38-2.14(c), unless Great-West, prior to the end of the 30-day period, files with the Department a written request for a hearing and a written request to Stay the Order with respect to paragraphs 1 and 2 until the conclusion of an administrative hearing and the rendering of a final decision by the Commissioner of the Department. A request for a hearing shall be accompanied by a written response to the violations set forth in this Order.

6. If Great-West wishes to request an administrative hearing, then Great-West shall submit such a request in writing no later than 30 days following the date of this Order to: Director, Office of Legal and Regulatory Affairs, P.O. Box 360, Trenton, New Jersey 08625-0360, or by fax at 609-292-5333.

Questions should be submitted to Marilyn Dahl, Deputy Commissioner, at 609-984-3939 or to Sylvia Allen-Ware, Director of the Office of Managed Care, at 609-633-0660.

MARILYN DAHL
Deputy Commissioner

/s/ Marilyn Dahl