BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE FOR THE STATE OF TENNESSEE

IN THE MATTER OF:	)	
	)	**No.: 03-133**
CARITEN INSURANCE COMPANY	)	

CITATION FOR VIOLATION OF PROMPT PAY STANDARDS AND NOTICE OF RIGHTS OF THE RESPONDENT

As a result of an examination, it has been determined that you are in violation of Tenn. Code Ann. § 56-7-109. This section requires that not later than thirty (30) calendar days for paper claims, and twenty-one (21) days for electronic submissions, after the date that a health insurance entity actually receives a claim from a provider, a health insurance entity shall: (i) If the claim is clean, pay the total covered amount of the claim; (ii) Pay the portion of the claim that is clean and not in dispute and notify the provider in writing why the remaining portion of the claim will not be paid; or (iii) Notify the provider in writing of all reasons why the claim is not clean and will not be paid and what substantiating documentation and information is required to adjudicate the claim as clean.

The examination determined that for the calendar year 2002, you processed 80.54% of the total clean claims submitted in a timely basis. As is authorized by Tenn. Code Ann. § 56-7-109(c)(2), it is hereby **ORDERED** that you pay a civil penalty in the amount of $25,904. Such amount should be payable to the Department of Commerce and Insurance and must be paid to the Department within thirty (30) days of receipt of this citation. Failure to comply with the terms of this citation may subject you to additional penalties under the Tennessee Insurance Law, Tenn. Code Ann. §§ 56-1-101, *et seq.*

Be advised that you have a right to an administrative hearing to contest the levying of a penalty against you for failing to meet the prompt pay standards set forth in Tenn. Code Ann. § 56-7-109. Such request for a hearing must be received by this Department within thirty (30) days of your receipt of this citation.

Please submit the civil penalty amount above and/or any such request for a hearing to the following:

Larry C. Knight, Jr.
Assistant Commissioner for Insurance
Fourth Floor, Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243

ENTERED this the 31st day of October, 2003.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance
State of Tennessee

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Citations for Violation of Prompt Pay Standards and Notice of Rights of the Respondent was mailed *via* United States Certified Mail, return receipt requested, bearing receipt number 7000 1670 0005 9999 7667, to the Respondent, c/o the following:

Cariten Health Care
1420 Centerpoint Boulevard
Knoxville, Tennessee 37932

on this the 31st day of October, 2003.

John F. Morris
Certifying Attorney