

IN THE MATTER OF THE)
TERMINATION OF THE CONTRACT) ORDER GRANTING A REQUEST
BETWEEN PHYSICIANS HEALTH) FOR A STAY
SERVICES AND CENTRASTATE)
MEDICAL CENTER)

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

WHEREAS, the Commissioner issued an Administrative Order on September 18, 2000 against Physicians Health Services, a/k/a PHS Health Plans, Inc., (hereafter, "PHS"), ordering PHS to pay a monetary penalty of \$104,500 by check or money order made payable to the State Treasurer of New Jersey no later than October 18, 2000 for certain violations set forth in the Administrative Order, pursuant to Sections 1 and 2 of the Administrative Order;

WHEREAS, Section 16 of the Administrative Order provides that Sections 1 and 2 would not become effective until such time as a hearing regarding the Administrative Order was concluded and a final decision rendered by the Commissioner if PHS submitted a written request for a hearing and to Stay the Order on or before October 18, 2000;

WHEREAS, the Commissioner had determined that granting a stay of Sections 1 and 2 of the Administrative Order would not endanger the health, safety and welfare of PHS members; and

WHEREAS, PHS requested a hearing and a stay of Sections 1 and 2 of the Administrative Order on October 18, 2000;

NOW, THEREFORE, IT IS ORDERED on this 18th day of October 2000 that:

1. The effect of Sections 1 and 2 of the Administrative Order of September 18, 2000 shall be stayed until the conclusion of a hearing on the matter, and a final agency decision is rendered by the Commissioner; and

2. Sections 1 and 2 of the Administrative Order of September 18, 2000 may be modified by the final agency decision.

CHRISTINE GRANT, COMMISSIONER
NEW JERSEY DEPARTMENT OF HEALTH
AND SENIOR SERVICES