

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceeding by the Commissioner of Banking and Insurance, State of New Jersey, to fine American Specialty Health ODS of New Jersey, Inc.) Consent Order

TO: American Specialty Health ODS of New Jersey, Inc.
12800 N. Meridan Ave.
Carmel, IN 46032

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that American Specialty Health ODS of New Jersey, Inc. (“ASH”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, ASH is an organized delivery system licensed to transact business since November 17, 2003 pursuant to N.J.S.A. 17:48H-11 to -13; and

WHEREAS, N.J.S.A. 17:48H-14b provides that prior to entering into any contract with a carrier, a licensed organized delivery system shall file with the Commissioner, for the Commissioner’s approval, a copy of the contract, that the filing shall be made no later than 60 days prior to the date that the contract is intended to be in effect and that the Commissioner shall either approve the contract or state in writing the Commissioner’s reasons for disapproval within 60 days of receipt of the filing; and

WHEREAS, N.J.S.A. 17B:48H-16b provides that a licensed organized delivery system shall be subject to the provisions of chapter 30 of Title 17B of the New Jersey statutes; and

WHEREAS, N.J.S.A. 17B:30-4 provides that no person shall make, publish, disseminate, circulate, or place before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance and annuities or with respect to any person in the conduct of his insurance and annuity business, which is untrue, deceptive or misleading; and

IT APPEARING that, on August 16, 2019 Horizon Healthcare Services, Inc. (a health service corporation), Horizon Healthcare of New Jersey, Inc. (a health maintenance organization) and Horizon Insurance Company (collectively "Horizon") submitted a Vendor Services Agreement between Horizon, ASH and ASH's parent, American Specialty Health Group, Inc., for approval by the Commissioner; and

IT FURTHER APPEARING that, from August to October 2019 ASH recruited chiropractors, therapists and acupuncturists to join the ASH network; and

IT FURTHER APPEARING that during the recruitment period the Commissioner had not approved the agreement between ASH and Horizon, and the agreement was disapproved by the Commissioner on October 11, 2019 pursuant to N.J.S.A. 17:48H-14(b), with the opportunity to resubmit; and

IT FURTHER APPEARING that, some ASH recruiters inaccurately advised a number of providers that the agreement between ASH and Horizon had been approved by the Commissioner; and

IT FURTHER APPEARING that, ASH asserts that the inaccurate information was promptly corrected and was unintentional; and

IT FURTHER APPEARING that, ASH desires to settle this matter with the New Jersey Department of Banking and Insurance without resort to a formal hearing and consents to the payment of a fine;

NOW, THEREFORE, IT IS on this 26 day of August, 2020


ORDERED AND AGREED, that ASH will pay a penalty of three hundred fifty seven thousand five hundred dollars (\$357,500.00), upon its execution of this Consent Order. The payment shall be made through a certified check, attorney trust account check, money order or electronic funds transfer made payable to the "State of New Jersey -- General Treasury;" and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the payment of \$357,500.00 shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement Unit
P. O. Box 329
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein.



Marlene Caride
Commissioner

Consented to as to Form, Content and Entry:



8/25/2020

American Specialty Health ODS
Of New Jersey, Inc.

Date