



September 19, 2018

Texas Department of Insurance  
 Attn: Associate Commissioner Melissa Hield, JD  
 PO Box 149104  
 Austin, Texas 78714-9104

Dear Associate Commissioner Hield:

On behalf of our more than 11,500 physician and medical school members, the Harris County Medical Society (HCMS) has deemed it necessary to file a formal complaint with the Texas Department of Insurance regarding the implementation and ongoing issues related to the Molina Healthcare insurance marketplace products.

Over the past nine months HCMS has received an unusually high number of complaints from members regarding the lack of payments from Molina marketplace products, which has been an issue since 2016 according to our research. To date, we have received complaints about Molina from UT-Houston Physicians Group, Baylor Physicians in Houston, Oncology Consultants, Texas Oncology (filed TDI complaint), Houston Eye Associates (filed TDI complaint) and Coastal Eye Associates (filed TDI complaint). It has also been noted on the TDI website that complaints against Molina are on the rise, see below.

	Dec 31, 2016		Dec 31, 2017		Aug 31, 2018
<b>Confirmed Complaints:</b>					
Life and Annuity	0		0		0
Accident and Health	3		13		82
Homeowner	0		0		0
Automobile	0		0		0
Workers' Compensation	0		0		0
<b>Complaint Ratio/Index</b>	Ratio	Index	Ratio	Index	
Life and Annuities	N/A	N/A	N/A	N/A	N/A
Accident and Health	.0031	1.0968	.0096	4.2509	N/A
Homeowner	N/A	N/A	N/A	N/A	N/A
Automobile	N/A	N/A	N/A	N/A	N/A
Workers' Compensation	N/A	N/A	N/A	N/A	N/A

Several group practices and physicians have filed TDI complaints on Molina. Some of these complaints have been filed for months. One TDI staffer informed HCMS staff that physician complaints are at “the bottom of the totem pole” which seems accurate given the lack of response from TDI. After Molina drastically decreased any

communication with physicians for months and TDI not responding to complaints, the physicians and their administrators have been calling HCMS for assistance.

HCMS has reached out to its Molina contacts to try and resolve the issues, but all we have received are promises to fix issues and non-responsiveness just like the physicians. It is HCMS policy to work out payment issues with payers on behalf of the membership prior to involving any government agency. This is the type of relationship we have built with payers in Harris County over the past two decades. This process has been very successful which is demonstrated by the very low number of HCMS complaints filed with TDI. Conversely, HCMS does see a trend of non-compliance to state prompt pay laws with other fully-insured and marketplace payers. Hence, TDI may see an increase in complaints from HCMS.

Presently, Molina is now offering settlements at 30% - 50% of what is owed which we find unlawful since Molina did not follow prompt pay laws. According to state law, these physicians are entitled to full payment plus penalties.

It is interesting to see in a Nasdaq publication dated July 31, 2018 "*Molina Healthcare, Inc. (NYSE:MOH) today reported its financial results for the second quarter of 2018. "Our second quarter results are a strong indication that the early stages of our margin recovery and sustainability plan are working," said Joe Zubretsky, President and Chief Executive Officer. "Our focus on managed care fundamentals and a more rigorous performance management process is reflected in our improved earnings"* as patient care has been affected by these group practices and physicians limiting or not seeing Molina patients because they cannot afford to deal with the laborious administrative burdens and nonpayment. A few of the group practices have or are considering terminating their Molina contract.

Attached is a summary of some of the physician issues with Molina for your review.

HCMS is requesting the following actions from TDI on Molina regarding noncompliance with state laws:

- TDI enforce state prompt pay laws by penalizing Molina marketplace products for noncompliance with these state laws.
- TDI require Molina pay the total payment owed to any physician who has been dealing with this noncompliance payment issue, including penalties.
- TDI enforce a plan to mandate that Molina follow state laws.

If you have any questions, please contact me at 713-524-4267 or email at [pat\\_harris@hcms.org](mailto:pat_harris@hcms.org).

If you would like contact information for any of the physician and group practices mentioned, please let me know. Since some of the groups have filed TDI complaints contact information may be on those documents.

Thank you for your time and consideration into this matter. I look forward to your response.

Sincerely,



Patricia A. Harris  
Senior Vice President

CC: Commissioner Kent Sullivan, JD, Texas Dept. of Insurance  
Deputy Commissioner Mark Einfalt, JD, Compliance, Texas Dept. of Insurance  
Deputy Commissioner Michael Nored, JD, Legal and Enforcement Division, Texas Dept. of Insurance  
Anthony Chappel, Associate VP, Division of Medical Economics, Texas Medical Association  
Genevieve Davis, VP Payment Advocacy, Texas Medical Association  
Sen. Kelly Hancock, Ch. Senate Business & Commerce committee  
Sen. Brandon Creighton, V-Ch, Senate Business & Commerce committee  
Rep. Larry Phillips, Ch. House Insurance committee  
Rep. Sergio Munoz, Jr., V-Ch, House Insurance committee

Enclosures