MARKET CONDUCT EXAMINATION REPORT
Dated January 8, 2013

COVERING THE TIME PERIOD OF JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

COLORADO ACCESS
10065 East Harvard Avenue
Denver, Colorado 80231

NAIC Company Code: 95733

CONDUCTED BY:

COLORADO DIVISION OF INSURANCE

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Examination Performed by:

State Market Conduct Examiners

Jeffory A. Olson, CIE, MCM, FLMI, AIRC, ALHC
Examiner-in-Charge

And

Violetta R. Pinkerton, CIE, MCM, CPCU

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COMPANY PROFILE

The following profile is based on information provided by Colorado Access and has not been verified by the Colorado Division of Insurance:

Colorado Access ("Company") was incorporated as a non-profit corporation on December 14, 1994. The Company commenced business operations on January 1, 1995. Colorado Access was certified as a Health Maintenance Organization by the Division of Insurance ("the Division") on October 31, 1995, and enrolled its first members (in Medicaid physical health) December 1, 1995. The Company does business solely in publically funded healthcare programs, including Medicaid, State Child Health Insurance Program and Medicare.

Currently, there are three sponsor organizations of the Company: The University of Colorado Hospital Authority and University Physicians, Inc. (collectively, the University), The Children's Hospital Association (Children's) and Colorado Community Manage Care Network (CCMCN) (collectively referred to herein as the Sponsor Organizations). Three members of the board of directors are designated by the sponsor organizations.

Colorado Access is an independent entity with no affiliates or subsidiaries.

Premium and Market Share as of December 31, 2009:

Total Written Premium:	$ 139,931,463*
Market Share (As a percentage of Colorado total Accident and Health):	1.41%*

* As shown in the 2010 Edition of the Colorado Insurance Industry Statistical Report

PURPOSE AND SCOPE

State market conduct examiners with the Colorado Division of Insurance ("Division") reviewed certain business practices of Colorado Access ("Company"). The market conduct examination ("MCE") was performed in accordance with Colorado insurance laws, §§ 10-1-203, 10-1-204, 10-1-205, 10-3-1106 and 10-16-416, C.R.S., that empower the Commissioner of Insurance ("Commissioner") to examine any entity engaged in the business of insurance in the State of Colorado.

The purpose of the examination was to determine Colorado Access' compliance with Colorado insurance laws related to health benefit plans written in Colorado. Examination information contained in this report should serve only this purpose, except as provided in law pursuant to §§ 10-1-204 and 10-1-205, C.R.S. The findings and conclusions, including the Final Agency Order, arising out of this examination shall be a public record.

Examiners conducted the examination in accordance with procedures developed by the Division which are based on model procedures developed by the National Association of Insurance Commissioners ("NAIC"). They relied primarily on records and materials maintained and/or supplied by Colorado Access. This MCE covered the period from January 1, 2010, through December 31, 2010.

The examination included review of claims and the operations and management practices as they applied to claims.

The examination report is a report by exception. References to additional practices, procedures, or files that did not exceed the error tolerance levels established by the NAIC were omitted. Based on review of these areas, comment forms were prepared for Colorado Access identifying any concerns and/or discrepancies. The comment forms contained a section that permitted Colorado Access to submit written responses to the examiners' comments.

Examination findings may result in administrative action by the Division. Examiners may not have discovered all unacceptable or non-complying practices of the Company. Failure to identify specific Colorado Access practices does not constitute acceptance of such practices. This report should not be construed to either endorse or discredit any insurance company, HMO or product.

METHODOLOGY

The examiners reviewed the Company's business practices to determine compliance with Colorado insurance laws. The examiners reviewed all relevant statutes and regulations pertaining to health benefit plans offered or marketed by a health maintenance organization.

Sampling Methodology

The examiners selected all files where a sample of a larger population was taken, on a random sample basis in accordance with the sampling methodology and sample sizes set forth in the 2011 NAIC Market Regulation Handbook ("Handbook").

A minimum error tolerance level of seven percent (7%) for claims, or ten percent (10%) for other samples, was established per the Handbook to determine reportable exceptions.

An error tolerance level of plus or minus ten dollars ($10.00) was allowed in most cases where monetary values were involved. However, in cases where monetary values were generated by computer or other systemic methodology, a zero dollar ($0) tolerance was applied to identify possible system errors.

Company Operations and Management

The examiners reviewed claims guidelines, procedures and practices, and timely cooperation with the examination process.

Claims Handling

The examiners reviewed claims samples, derived from the population of 323,270 claims Colorado Access received during the examination period for compliance with statutory requirements and contractual obligations.

Two samples were reviewed for overall claim handling and accuracy of processing:

- One hundred (100) paid claims from a population of 235,126;
- One hundred (100) denied claims from a population of 70,287.

Three samples were reviewed to determine Colorado Access' compliance with Colorado's prompt payment of claims laws:

- One hundred (100) electronic claims from a population of 13,041 electronic claims adjudicated more than thirty (30) days after receipt of the claims;
- One hundred (100) nonelectronic claims from a population of 3,839 nonelectronic claims adjudicated more than forty-five (45) days after receipt of the claims; and
- One hundred (100) claims from a population of 5,741 electronic and non-electronic claims received during the examination period adjudicated more than ninety (90) days after receipt of the claims.

Prior Examinations

Colorado Access' most recent market conduct examination by the Division prior to this examination was completed in 2006 in conjunction with a concurrent financial examination covering an exam period of January 1, 2002, through December 31, 2006, and also focused on claims handling.

EXAMINATION REPORT SUMMARY

The examination did not result in any issues which met the requirements to be included in this report.

A copy of the Market Conduct Report if adopted pursuant to § 10-1-205(3)(a), C.R.S., can be obtained upon request from the Division.

Results of previous market conduct examinations are available on the Division's website at www.dora.state.co.us/insurance or by contacting the Division.

Examination Report Submission

State Market Conduct Examiners

Jeffory A. Olson, CIE, MCM, FLMI, AIRC, ALHC

And

Violetta R. Pinkerton, CIE, MCM, CPCU

Submit this report on this 8th Day of January, 2013 to:

The Colorado Division of Insurance
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Denver, Colorado 80202