



STATE OF MAINE
 DEPARTMENT OF PROFESSIONAL
 AND FINANCIAL REGULATION
 BUREAU OF INSURANCE
 34 STATE HOUSE STATION
 AUGUSTA, MAINE
 04333-0034

ANGUS S. KING, JR.
 GOVERNOR

ALESSANDRO A. IUPPA
 SUPERINTENDENT

IN RE :)
 UNITED HEALTHCARE) CONSENT AGREEMENT
 INSURANCE COMPANY) Docket No. INS 01-2503
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This document is a Consent Agreement, authorized by 5 M.R.S.A. § 9053(2) and 24-A M.R.S.A. § 12-A(1), and is entered into by United HealthCare Insurance Company (hereafter also *UHC*) and the Superintendent of the Maine Bureau of Insurance (hereafter also the *Superintendent*). Its purpose is to resolve, without resort to an adjudicatory proceeding, UHC's violations of 24-A M.R.S.A. § 2677(1), which establishes for preferred provider arrangements a maximum differential between the amount of benefits payable to preferred providers and benefits to non-preferred providers; and of 24-A M.R.S.A. § 2843(5-C)(B)(1), requiring parity between the level of mental illness benefits and the level of physical illness benefits.

FACTS

1. The Superintendent is the official charged with administering and enforcing Maine's insurance laws and regulations.
2. From October 25, 1972, UHC has been a Maine licensed health insurer, License # LHF700.
3. On December 21, 1999, the Bureau received complaint #2000506777 from Consumer, an enrollee under UHC's "Employee Assistance Plan" preferred provider arrangement, a plan covering mental health benefits. Consumer complained because United Behavioral Health (UBH), acting as UHC's designated utilization review entity (URE) and administrator, refused to pay more than 50% of covered charges for four psychiatric therapy sessions rendered by a non-preferred provider to Consumer from August to December 1999.
4. On January 5, 2000, the Bureau intervened on Consumer's behalf to investigate her complaint of inadequate payments to the therapist.
5. In initially denying Consumer's claims for higher payment, UBH did not submit to her a written explanation of benefits (EOB). The Bureau requested an EOB, and UBH prepared and sent an explanation dated February 16, 2000. The EOB shows that the non-participating therapist charged \$70 per session, and that UBH authorized 50% of the charge for each session.



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6. Title 24-A M.R.S.A. § 2677(1) imposes on carriers and their administrators the following requirement for payment to non-preferred providers under a preferred provider arrangement:

An insurer or administrator who makes a preferred provider arrangement available shall provide for payment of covered health care services rendered by providers who are not preferred providers.

1. Benefit level.... [T]he benefit level differential between services rendered by preferred providers and non-preferred providers may not exceed 20% of the allowable charge for the service rendered.

7. The benefits schedule in the UHC plan pays 80% of covered psychiatric services rendered by preferred providers, and 50% of charges for covered services from non-preferred providers. This schedule thus creates a 30% differential as between preferred and non-preferred providers, exceeding the maximum 20% spread allowed by § 2677(1).
8. For policies, contracts or certificates covering 21 or more employees, 24-A M.R.S.A. § 2843(5-C)(B)(1) requires that insurers provide benefits for mental illnesses that are no less than benefits payable under a concurrent plan insuring the individual for physical illness expenses:

The [contracts] must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

9. During August through December 1999, when Consumer received the subject mental health treatment for which UHC paid 50% of covered charges, her medical insurance plan then in effect paid 70% for non-network treatment of physical illness.

CONCLUSIONS OF LAW

10. As described in paragraphs 3, 5, 6 and 7 above, UBH violated 24-A M.R.S.A. § 2677(1) by paying Consumer's non-preferred provider only 50% of the psychiatric charges at issue, which is in excess of the allowable 20% differential between preferred provider and non-preferred provider benefits. Pursuant to Bureau Rule 850(8)(A), UHC is responsible for UBH's acts in administering the UHC Employee Assistance Plan.
11. As described in paragraphs 8 and 9 above, UBH violated 24-A M.R.S.A. § 2843(5-C)(B)(1) by authorizing payment of mental health benefits under the UHC plan to non-preferred providers at 50% of charges, sums not in parity with the 70% benefits paid to out-of-network providers under Consumer's separate coverage for physical illnesses. Pursuant to Bureau Rule 850(8)(A), UHC is responsible for UBH's acts in administering the UHC Employee Assistance Plan.

COVENANTS

- 12. A formal hearing in this complaint proceeding is waived and no appeal will be taken. This Consent Agreement is an enforceable agency action within the meaning of the Maine Administrative Procedure Act.
- 13. At the time of executing this Agreement, UHC shall pay to the Maine Bureau of Insurance a penalty in the amount of \$4,000 drawn to the Maine State Treasurer.
- 14. In consideration of UHC's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measure or other civil sanction for the violations described above other than those agreed to herein.

MISCELLANEOUS

- 15. UHC understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, will be available for public inspection and copying as provided by 1 M.R.S.A. § 408, and will be reported to the NAIC "RIRS" database.
- 16. The parties understand that nothing herein shall affect any right or interest of any person who is not a party to this Agreement.
- 17. This Agreement may be modified only by the written consent of the parties.
- 18. UHC was informed of the right to its own counsel before executing this Agreement.
- 19. Nothing herein shall prohibit the Superintendent of Insurance from seeking an order to enforce this Consent Agreement, or from seeking additional sanctions in the event UHC does not comply with the above terms, or in the event the Superintendent receives evidence that further legal action is necessary for the protection of Maine consumers.

Dated: 5/4, 2001

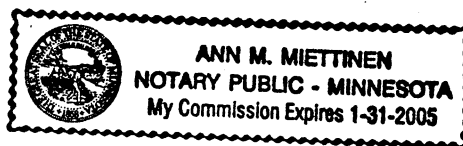
**FOR UNITED
HEALTHCARE
INSURANCE COMPANY**

By: *Ronald B. Colby*
Signature
Ronald B. Colby
President & CEO

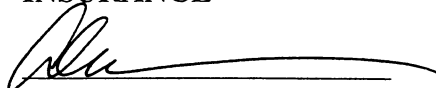
Typed Name and Title

Subscribed and sworn to before me
this 4 day of May, 2001

Ann M. MiETTinen
Notary Public



**FOR THE BUREAU OF
INSURANCE**



**Alessandro A. Iuppa
Superintendent of Insurance**

Dated: May 10, 2001

STATE OF MAINE

KENNEBEC ss.

Subscribed and sworn to before me
this 10th day of May, 2001



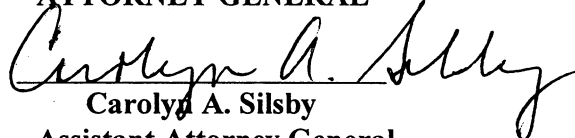
~~Notary Public/Attorney at Law~~

NOTARY PUBLIC • MAINE

MY COMMISSION EXPIRES NOVEMBER 14, 2005

Dated: May 9, 2001

**FOR THE MAINE
ATTORNEY GENERAL**



**Carolyn A. Silsby
Assistant Attorney General**

STATE OF MAINE

KENNEBEC ss.

Subscribed and sworn to before me
this 9th day of May, 2001



Notary Public/Attorney at Law

GAYLE L. MICHAUD

Notary Public, Maine

My Commission Expires December 8, 2002



STATE OF MAINE
 DEPARTMENT OF PROFESSIONAL
 AND FINANCIAL REGULATION
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ANGUS S. KING, JR.
 GOVERNOR

ALESSANDRO A. IUPPA
 SUPERINTENDENT

I, Michael W. Roberts, Esq., Contract Examiner in the Consumer Health Care Division of the Maine Bureau of Insurance, hereby certify that the documents affixed hereto are copies of official records on file with the Bureau of Insurance.

DATED: *May 14, 2001*

Michael W. Roberts
 Michael W. Roberts, Esq.
 Contract Examiner

Subscribed to and sworn to before me this *14th* day of *May*, 2001

Lyndy P. Morgan
 Notary Public

LYNDY P. MORGAN
 NOTARY PUBLIC • MAINE
 MY COMMISSION EXPIRES NOVEMBER 14, 2005



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