

**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

IN RE:

UnitedHealthCare Insurance Company

NAIC Company Code: 79413
Maine License No. LHF700

Docket No. INS-17-222

**CONSENT AGREEMENT
AND ORDER**

UnitedHealthcare Insurance Company (“the Company” or “UHC”), the Superintendent of the Maine Bureau of Insurance (the “Superintendent”), and the Office of the Maine Attorney General (the “Attorney General”) hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without resort to an adjudicatory proceeding, violations of the Maine Insurance Code and the Maine Bureau of Insurance Rules. As set forth in more detail below, market conduct examination has identified violations of Bureau of Insurance rules pertaining to claim denials and appeals.

STATUTORY AUTHORITY

1. Under 10 M.R.S. § 8003(5)(A-1) and 24-A M.R.S. § 12-A, the Superintendent may issue a warning, censure or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee; may impose conditions of probation on a licensee; may levy a civil penalty against a licensee; or may take any combination of such actions in response to the licensee’s violation of any insurance law, rule, regulation, subpoena or order of the Superintendent.
2. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve a complaint by entering into a consent agreement with a licensee and with the consent of the Attorney General.

STATEMENT OF FACTS

A. Background

3. The Superintendent of Insurance is the State official charged with administering and enforcing Maine’s insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction.

4. The Superintendent has jurisdiction over this matter pursuant to the powers set forth in the Insurance Code generally, as well as the specific provisions of 24-A M.R.S. §§ 12-A and 211 and 10 M.R.S. § 8003.
5. UHC has been licensed in Maine as a foreign life and health insurance company since 1990, and it holds Maine Certificate of Authority number LHF700. Its NAIC Code is 79413, and the Company is domiciled in Connecticut.
6. 24-A M.R.S. § 221(5) requires the Superintendent to examine, no less frequently than once every five years, each foreign health carrier that is offering a health plan and has at least 1,000 covered lives in Maine. A targeted market conduct exam of UHC, the results of which serve as the basis for this Consent Agreement, was accordingly called and conducted pursuant to 24-A M.R.S. §§ 211 and 221.
7. The review period for the examination included claim denials and appeal requests initiated from January 1, 2015, through December 31, 2015.
8. The examiners conducted an on-site exam at UHC's offices in Connecticut from September 19, 2016 through September 23, 2016.
9. The examiners conducted a desk exam from April 11, 2017 through April 20, 2017.
10. The examiners tested the Company's compliance with the requirements for claim denials and first level appeals that did not involve health care treatment decisions set forth in Maine Bureau of Insurance Rule 850 § 9.
11. The examiners tested a sample of sixty (60) denials initiated during the review period for compliance with the requirements set forth in Rule 850 § 9(A).
12. The examiners also tested the one (1) appeal file initiated during the exam period. The appeal file did not involve a health care treatment decision and was tested for compliance with the grievance procedures set forth in Rule 850 § 9.
13. Throughout the Examination, the examiners notified the Company of instances of noncompliance by issuing written criticisms, commonly referred to as "crits."
14. The Examination revealed several instances of noncompliance with Rule 850, which are set forth in more detail below.

B. Claim Denials and Adverse Benefit Determinations

15. Rule 850 § 9(A) states that "[f]or any adverse benefit determination that does not involve medical issues, the carrier shall provide written notice that includes the information required [by § 9(A)(1) through § 9(A)(11)]."

16. The examiners' review of the Company's sixty (60) denial files revealed that the Company did not comply with Rule 850 because the written notices it sent to its members did not include all of the information required by the tested subsections of § 9(A)(1) through § 9(A)(11).
17. Each of the sixty (60) sample files contained at least one violation of Rule 850 for failing to include a required piece of information in the written notice of the adverse benefit determination that was sent to the member.

C. First Level Appeal of Adverse Benefit Determination

18. Rule 850 § 3(A) states that "[a]ll requests for review of 'adverse benefit determinations,' other than 'health care treatment decisions,' are subject to the grievance procedures set forth in section 9."
19. The examiners' review of the Company's one (1) appeal file revealed that the Company did not comply with Rule 850 because the Company's practices and written notifications in the reviewed appeal file did not comply with the grievance procedures set forth in the tested subsections of section 9.

VIOLATIONS OF LAW

20. As set forth in Paragraphs 15 through 17, UHC committed multiple violations of Rule 850 because it failed to provide all of the information required by § 9(A) in its written notices of adverse benefit determinations in the 60 sample files reviewed by the examiners.
21. As set forth in Paragraphs 18 through 19, UHC violated Rule 850 because it failed to follow the grievance procedures set forth in § 9 in its handling of its one (1) appeal of an adverse benefit determination that did not involve a health care treatment decision.

COVENANTS

22. No later than sixty (60) days after executing this Consent Agreement, UHC will remit to the Maine Bureau of Insurance a company check in the amount of Forty-Five-Thousand-Seven-Hundred-Fifty Dollars (\$45,750) payable to the Treasurer of the State of Maine.
23. No later than thirty (30) days after executing this Consent Agreement, UHC shall submit a proposed Corrective Action Plan to the Superintendent for his review and approval specifying the actions that UHC intends to implement to correct the procedural deficiencies found during the Examination and set forth in the Market Conduct Examination Report, which is hereby incorporated by reference. The Plan should also

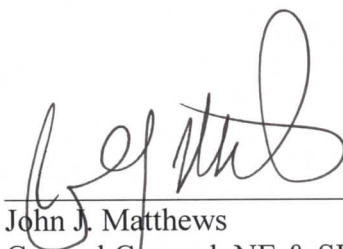
include, as attachments, all form letters and notices that have been revised by UHC based on the examiners' findings.

24. The parties to this Consent Agreement understand that nothing herein shall affect any right or interest which any person not a party to this Agreement may possess.
25. This Consent Agreement is not subject to appeal. UHC waives any right it might have to appeal any matter that is a subject of this Consent Agreement.
26. This Consent Agreement constitutes an Order of the Superintendent and is enforceable pursuant to 24-A M.R.S. § 215, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138 by the Superintendent and by an action in Maine Superior Court.
27. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. Any decision to modify, continue or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.
28. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access law, 1 M.R.S. §§ 401-414; will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A; and will be reported to the National Association of Insurance Commissioners' "RIRS" database.
29. By the duly-authorized signature of its representative on this Consent Agreement, UHC warrants that it has consulted with counsel before signing the Consent Agreement or has knowingly and voluntarily decided to proceed in this matter without consulting counsel, that it understands this Consent Agreement, and that it enters into the Consent Agreement voluntarily and without coercion of any kind from any person.
30. In return for UHC's execution of and compliance with the terms of this Consent Agreement, the Superintendent and the Attorney General agree to forego pursuing further disciplinary measures or other civil or administrative sanctions arising under the Maine Insurance Code for the specific conduct described in this Consent Agreement, other than those disciplinary measures or sanctions agreed to herein. However, should UHC fail to comply with or violate this Consent Agreement, it may be subject to any available remedy under the law for such a failure or violation.

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UNITEDHEALTHCARE INSURANCE COMPANY

Dated: January 18, 2018



John J. Matthews
General Counsel, NE & SE Regions
UnitedHealthcare Employer & Individual

THE MAINE SUPERINTENDENT OF INSURANCE

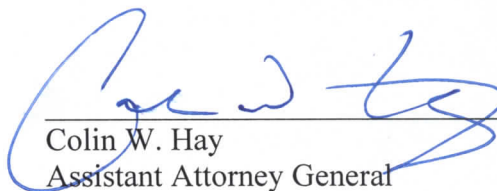
Dated: February 6, 2018



Eric A. Cioppa
Superintendent

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: February 6, 2018



Colin W. Hay
Assistant Attorney General