

# STATE OF ILLINOIS



## Department of Financial and Professional Regulation Division of Insurance

IN THE MATTER OF  
THE EXAMINATION OF

UNITEDHEALTHCARE PLAN OF THE RIVER VALLEY, INC.  
1300 RIVER DRIVE, SUITE 200  
MOLINE, ILLINOIS 61265-1368

### MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 131.21, 132, 401, 402, 403 and 425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425) do hereby appoint Danny Talkington, Examiner-In-Charge, Alvin Hysler, John Staples and associates as the proper persons to examine the insurance business and affairs of Unitedhealthcare Plan of the River Valley, Inc. of Moline, Illinois, and to make a full and true report to me of the examination made by them of Unitedhealthcare Plan of the River Valley, Inc. with a full statement of the condition and operation of the business and affairs of Unitedhealthcare Plan of the River Valley, Inc. with any other information as shall in their opinion be requisite to furnish me a statement of the condition and operation of its business and affairs and the manner in which it conducts its business.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of Unitedhealthcare Plan of the River Valley, Inc.

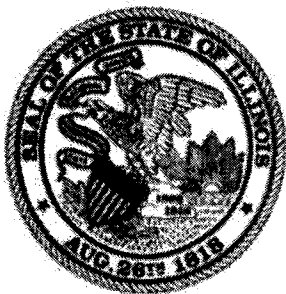
### IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of my office.  
Done at the City of Springfield, this 13th day of Sept 2005.

*Michael T. McRaith*

Michael T. McRaith

Director



# STATE OF ILLINOIS



## Department of Financial and Professional Regulation Division of Insurance

STATE OF ILLINOIS  
COUNTY OF SANGAMON } ss

Danny Talkington, being first duly sworn upon his oath, deposes and says:

That he is an examiner employed by the Division of Insurance of the State of Illinois;

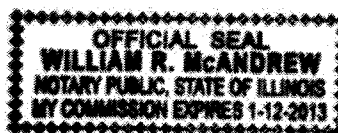
That an examination was made of the affairs of Unitedhealthcare Plan of the River Valley, Inc. of Moline, Illinois, a domestic HMO for profit company, organized and authorized under the laws of the State of Illinois, pursuant to authority vested in the Warrant issued by the Director of Insurance of the State of Illinois;

That he was the Examiner-in-Charge of said examination and the attached report of examination is a true and complete report of the activities of the above named company, concerning the claim practices and procedures, rating, underwriting and marketing practices as of 30 June 2008 as determined by the examiners.

  
Examiner-In-Charge

Subscribed and sworn to before me  
this 25<sup>th</sup> day of June,  
~~A. D. 2008.~~  
A. D. 2009

  
Notary Public



This Market Conduct Examination was conducted pursuant to Sections 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403 and 5/425). It was conducted in accordance with standard procedures of the Market Conduct Examination Section by duly qualified examiners of the Illinois Department of Insurance.

This report is divided into five parts. They are as follows: Summary, Background, Methodology, Findings and Technical Appendices. All files reviewed were reviewed on the basis of the files' contents at the time of the examination. Unless otherwise noted, all overcharges (underwriting) and/or underpayments (claims) were reimbursed during the course of the examination.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

The Examiner-in-Charge was responsible for the conduct of this examination. The Examiner-in-Charge did approve of each criticism contained herein and has sworn to the accuracy of this report.

James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis Section

UNITEDHEALTHCARE PLAN OF THE RIVER VALLEY, INC.

## MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: April 6, 2009 through May 15, 2009

EXAMINATION OF: UnitedHealthcare Plan of the River Valley, Inc.  
NAIC # 95378

LOCATION: 1300 River Drive, Suite 200  
Moline, Illinois 61265-1368

PERIOD COVERED  
BY EXAMINATION: July 1, 2007 through June 30, 2008

EXAMINERS: Alvin N. Hysler  
Danny L. Talkington  
Examiner in Charge

## INDEX

	<u>Page #</u>
I. SUMMARY	1
II. BACKGROUND	2
III. HMO STRUCTURE	3
IV. QUALITY ASSURANCE: COMPLAINT AND APPEALS	4-6
V. POLICY FORMS	7
VI. METHODOLOGY	8-9
VII. FINDINGS	11-13
A. Provider Termination	11
B. Producer Analysis	11
C. Claims Analysis	11
D. Group Contract Analysis	11
E. Complaints and Appeals	12-13
1. Department of Insurance Complaints	12
2. Appeals	12
3. Expedited Appeals	12
4. External Independent Review	13
F. Policy Form Review	13
G. Advertising Review	13
H. Consumer Advisory Committee	14
VIII. INTERRELATED FINDINGS	14
IX. TECHNICAL APPENDICES	14

## I. SUMMARY

1. The Plan was criticized for failing to give enrollees sixty days notice of a known termination or nonrenewal of a health care provider's contract with the Plan as required by 50 Ill. Adm. Code 5420.50(b).
2. The Plan was criticized for failing to provide insureds Notice of Availability of the Department of Insurance on denied claims as required by Title 50 Illinois Administrative Code 919.50(a)(1).
3. It was noted that an external independent reviewer failed to render a decision on whether a requested service was medically appropriate within five (5) days as required by 215 ILCS 134/45(f)(4) which statute was effective during the exam period.
4. The Plan was criticized for failure to establish a consumer advisory committee as required by 215 ILCS 134/75(a).

## II. BACKGROUND

UnitedHealthcare Plan of the River Valley, Inc. ("the Plan") was incorporated August 5, 1985 under the Illinois Business Corporation Act of 1983, under the name Heritage National Healthplan, Inc.

On December 19, 1985, the Illinois Director of Insurance issued a Certificate of Authority authorizing the Corporation to operate as a health maintenance organization under the Illinois Health Maintenance Organization Act.

Effective June 30, 1999, the Plan changed its name from Heritage National Healthplan, Inc. to John Deere Health Plan, Inc.

Effective December 30, 1999, John Deere Family Healthplan, Inc., an affiliate of the Plan and a wholly-owned subsidiary of John Deere Health Care, Inc., was merged into the Plan, pursuant to an Agreement and Plan of Merger. The Merger documents were filed with, and certified by, the Illinois Secretary of State on December 30, 1999.

Effective February 24, 2006 UnitedHealthcare, Inc. acquired John Deere Health Care, Inc., a Delaware corporation, and its wholly-owned Illinois subsidiaries: John Deere Health Insurance, Inc. and John Deere Health Plan, Inc.

A name change was approved by the Illinois Secretary of State on March 27, 2006 to UnitedHealthcare Plan of the River Valley, Inc. Effective March 27, 2006 John Deere Health Plan, Inc. changed its name to UnitedHealthcare Plan of the River Valley, Inc.

The Plan at the time of the exam was licensed to do business in Illinois, Iowa, Tennessee and Virginia.

At the time the examination was conducted, the examiners were members of Illinois Division of Insurance which was part of the Illinois Department of Financial and Professional Regulation. On July 1, 2009, Governor Quinn signed an Executive Order that re-established the Illinois Department of Insurance as an independent state regulatory agency. In this report, the regulatory agency is referred to as the Illinois Department of Insurance.



### III. HMO STRUCTURE

UnitedHealthcare Plan of the River Valley, Inc. is a for profit organization and was granted authority to issue HMO products in Illinois on December 19, 1985 (under the name Heritage National Healthplan, Inc.).

During the exam period the parent company, United Healthcare Services Company of the River Valley, Inc., a Delaware general business corporation, which is a wholly owned subsidiary of UnitedHealthcare, Inc., operated in Illinois as a licensed third party administrator for self-funded employer groups, and its subsidiary, UnitedHealthcare Plan of the River Valley, Inc., offered HMO products to small and large employer groups in its approved service area. UnitedHealthcare Plan of the River Valley, Inc. also maintained a Medicare Cost contract with the Centers for Medicare and Medicaid Services (CMS). UnitedHealthcare Plan of the River Valley, Inc. marketed its products in northwestern Illinois, at the time of the examination in the counties of Bureau, Carroll, Dewitt, Fulton, Henderson, Henry, Jo Davies, Knox, LaSalle, Lee, Livingston, Marshall, McLean, Mercer, Peoria, Putnam, Rock Island, Stark, Tazewell, Warren, Whiteside and Woodford. The fully insured membership at the time of the examination was 11,895 members with a physician network consisting of over 2,300 active practitioners.

The Plan's Annual Statement Schedules T indicate that its 2007 Illinois written premium was \$ 56,051,553 and that its 2008 Illinois written premium was \$44,118,077.

#### IV. QUALITY ASSURANCE - COMPLAINTS AND APPEALS

For prompt and equitable resolution of complaints, UnitedHealthcare Plan of the River Valley, Inc. (UHCRV) has established the following HMO Appeal Process:

Within 180 days of (1) receiving a denial of coverage (a claim that was not paid in whole or in part) or (2) the problem in question occurred, a Member (or his duly authorized representative) may request an appeal to UnitedHealthcare Plan of the River Valley, Inc. Medical Necessity Denial appeals should be filed promptly. All appeals are required to be made in writing, except Pre-Service Urgent Care Claims, in which case it can be made verbally.

UnitedHealthcare Plan of the River Valley, Inc. will send within (3) business days of the Appeal request, a letter to the Member acknowledging the Appeal and describing the Appeal process. The letter will also set forth the necessary information to be submitted prior to making a final determination on the appeal.

**Review of Appeal:** UnitedHealthcare Plan of the River Valley, Inc. will review and decide the appeal within a reasonable time and notify the Member in writing of its determination as follows:

**Urgent Care Claims:** Within 24 hours after UHCRV has received a request for expedited handling which includes all necessary information. UHCRV will issue a decision to the Enrollee or Enrollee's Authorized Representative by telephone or facsimile. If additional information is needed by UHCRV to review the expedited Appeal, the Enrollee or the Enrollee's Authorized Representative will be notified within 24 hours of receipt of the expedited Appeal specifying the information needed by UHCRV to make a decision. When the additional information is received by UHCRV, a final decision will be made within 24 hours of receipt of the specified information or at the end of the period given to provide the specified information, whichever is earlier. UHCRV will communicate the decision orally to all concerned parties, followed by written notification within three calendar days.

**Post/Pre Service Non-Urgent Care Claims:** If additional information is needed to evaluate the Appeal, UHCRV shall within three (3) business days of receiving the Appeal Form notify the Enrollee or Enrollee's Authorized Representative of the additional information needed. UHCRV shall designate a Clinical Peer of the Attending Physician to review the Appeal. Within fifteen business days after receipt of the written Appeal, UHCRV shall issue a decision orally, followed by a notice in writing, to all parties involved.

**Enrollee Reconsideration Procedure:** The Enrollee or Enrollee's Authorized Representative shall have 30 days from the date an Appeal decision was issued in which to file a request for reconsideration to the Enrollee Reconsideration Committee of UHCRV. The Committee meeting shall be held at the UHCRV home office in Moline, Illinois.

Enrollee or Enrollee's Authorized Representative will be notified that the Committee will meet to hear his or her case and will be provided the opportunity to submit additional information and comments in writing. The Enrollee Reconsideration Committee shall resolve the Appeal by majority vote and shall issue a final written decision to all parties involved within the following timeframes:

Pre-Service Claim: 15 business days after receipt of the request for reconsideration.

Post-Service Claim: 30 business days after receipt of the request for reconsideration.

**Other Appeal Rights:** If the appeal decision is upheld, the Member has the following applicable options:

**Formal Complaint with Department of Insurance:** The filing of an Appeal with UHCRV shall not preclude the Enrollee from filing a complaint with the Department of Insurance nor shall it preclude the Department of Insurance from investigating a complaint pursuant to its authority under Section 4-6 of the Health Maintenance Organization Act. For further information, the Enrollee may contact UHCRV or the Illinois Department of Insurance at the addressed below:

UnitedHealthcare Plan of the River Valley, Inc.

1300 River Drive  
Suite 200  
Moline, Illinois 61265  
(800) 251-9504  
(800) 884-4327 TDD

3800 Avenue of the Cities  
Suite 200  
Moline, Illinois 61265  
(800) 747-1446  
(800) 884-4327 TDD

Consumer Services Department  
Department of Insurance  
100 West Randolph Street  
Suite 9-301  
Chicago, Illinois 60601

Illinois Dept. of Insurance  
320 West Washington Street  
4<sup>th</sup> Floor  
Springfield, Illinois 62767  
(217) 782-4515

**External Independent Review:** An Enrollee or any party involved in an Appeal may request an "external independent review" (EIR) of the final adverse decision. The provisions of this section shall not be construed to obligate UHCRV to make payment for any health care service, procedure,

or treatment that is not covered under the Subscriber Agreement. At the time the Enrollee is notified of UHCRV's final adverse decision, the Enrollee shall also be advised of his or her right to request an EIR. A request for an EIR must be made within 30 days of receiving UHCRV's final adverse decision. The purpose of the review is to determine whether the health care service, procedure, or treatment is "medically appropriate." When UHCRV receives a written request for an EIR, it will notify the party who requested the EIR of the method for joint selection of an EIR entity by the Enrollee, Enrollee's health care provider, and UHCRV. The independent physician reviewer will be a Clinical Peer, have no direct financial interest in the case being reviewed, and will not be informed of the specific identity of the Enrollee. The EIR entity shall render a decision within five days after receiving all necessary information. UHCRV will immediately notify the party who requested the EIR of the EIR entity's decision, by telephone or facsimile, followed by written notice. The decision of the EIR entity is final. UHCRV will immediately comply with the EIR entity's decision, if the EIR entity determines in favor of the Enrollee that the health care service, procedure, or treatment is medically necessary. UHCRV will also make available an expedited process, by which UHCRV will attempt to complete an EIR within 24 hours after receipt of all necessary information. The expedited process is available when a delay in resolving the EIR would significantly increase the risk to an Enrollee's health or when extension of health care services for an Enrollee undergoing a course of treatment prescribed by a health care provider is at issue. UHCRV shall be solely responsible for paying the EIR entity's fees.

**Right to Bring Civil Action:** If the decision is not in favor of the Enrollee and he/she is still not satisfied with the outcome, the Enrollee may request voluntary binding arbitration or file a civil action in court under 502(a) of the Employee Retirement Income Security Act (ERISA). The Enrollee must exhaust the internal UnitedHealthcare Plan of the River Valley, Inc. Appeals and Reconsideration Process prior to bringing a suit under 502(a) of ERISA.

## V. POLICY FORMS

All plans, form letters and riders used in Illinois during the examination period were requested. These were reviewed for compliance as to format, content and terminology as required by Illinois law.

## VI. METHODOLOGY

The Market Conduct Examination covered the business for the period of July 1, 2007 through June 30, 2008 for claims, and July 1, 2007 through April 6, 2009 for

appeals, complaints and external independent reviews. Specifically, the examination focused on a review of the following areas.

1. Sales, advertising and procedure files.
2. Enrollment procedures.
3. Claim procedures.
4. Appeals, DOI Complaints, Consumer Complaints and External Independent Reviews.

The review of the categories was accomplished through examination of appointed and terminated producer files, claim files and complaint files. Each of the categories was examined for compliance with Department Regulations and applicable State laws. The report concerns itself with improper practices performed with such frequency as to indicate general practices. Individual criticisms were identified and communicated to the HMO, but not cited in the report if not indicative of a general trend, except to the extent that underpayments and/or overpayments in claim surveys or undercharges and/or overcharges in underwriting surveys were cited in the report.

The following methods were used to obtain the required samples and to assure a methodical selection:

#### Producer Production

New business was reviewed to determine if solicitations had been made by duly licensed persons.

#### Claims

1. Paid Claims - Payment for claims made during the examination period.
2. Denied Claims - Denial of benefits during the examination period for losses not covered by certificate of coverage provisions.

All claims were reviewed for compliance with policy contracts and applicable Sections of the Illinois Insurance Code [215 ILCS 5/1 et seq.], the Health Maintenance Organization Act [215 ILCS 125 et seq.], the Managed Care Reform and Patient Rights Act [215 ILCS 134 et seq.] and Title 50 Illinois Administrative Code.

Median payment periods were measured from the date all necessary proofs of loss were received to the date of payment or denial to the member.

#### Division of Insurance Complaints and Consumer Appeals

The Plan was requested to provide all files relating to complaints received via the Department of Insurance and those received directly from members. The Plan was

also requested to provide files of all member appeals in our selection and external independent reviews handled during the survey period.

Median periods were measured from the date of notification by the complainants to the date of response by the Plan.

## **SELECTION OF SAMPLE**

<u>Survey Reviewed</u>	<u>Population</u>	<u># Reviewed</u>	<u>%</u>
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### **Producers Analysis**

Producers/Applications	172/1,492	172/1,492	100.00
Terminated Agents Review	0	0	0.00

### **Provider Agreement Analysis**

Provider Terminations	33	33	100.00
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### **Claims Analysis**

Paid Group HMO	39,351	119	.003
Denied Group HMO	4,482	120	2.67
Paid Group POS	98,778	120	.001
Denied Group POS	6,886	118	1.71

### **DOI Complaints, Consumer Complaints and External Independent Reviews**

Department of Insurance Complaints	19	19	100.00
Appeals (includes expedited)	106	106	100.00
Consumer Complaints	0	0	0.00
External Independent Review	6	6	100.00

## Advertising and Policy Forms Analysis

Policy Forms, Endorsements and Advertising	239	239	100.00
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### VII. FINDINGS

#### A. Provider Terminations

A review of the provider terminations produced one (1) criticism. A general criticism was written for failure to notify enrollees of a known termination which would curtail or eliminate services to enrollees as required by 50 Ill. Adm. Code 5420.50(b). Of the fifteen (15) cases cited, the Plan agreed that in eight (8) instances the enrollee was not notified, but states that the other seven (7) were part of groups situated outside of Illinois not subject to Illinois law.

#### B. Producer Analysis

A review of the producer licensing files and first year commissions produced no criticisms.

There were no agents terminated for cause.

#### C. Paid Group HMO

A review of the Paid Group HMO Claim files produced no criticisms.

The median for payment was nine (9) days.

#### D. Denied Group HMO

A review of the Denied Group HMO Claim files produced no criticisms.

The median for denial was fifteen days.

**E. Paid Group POS**

A review of the Paid Group POS Claim files produced no criticisms.

The median for payment was nine (9) days.

**F. Denied Group POS**

A review of the Denied Group POS Claim files produced no criticisms.

The median for denial was seventeen days.

**G. Complaints, Appeals and External Independent Reviews**

**1. Department of Insurance Complaints**

A review of the Department of Insurance Complaint files produced no criticisms.

The median for response to the Department of Insurance was seven (7) days.

**2. Appeals**

A review of the Appeal files produced one (1) criticism. A general criticism was written for failure to provide the insured Notice of Availability of the Department of Insurance on denial letters as required by 50 Ill. Adm. Code 919.50(a)(1). The Plan agreed that the denial letters did not contain Notice of Availability of the Department of Insurance as required and corrected the denial letter template to include this language while the exam was in progress.

The median for response was six (6) days.



### 3. Expedited Appeals

A review of the Expedited Appeals produced one (1) criticism. A general criticism was written under for failure to provide the insured Notice of Availability of the Department of Insurance on denial letters as required by Title 50 Ill. Adm. Code 919.50(a)(1). The Plan agreed that the denial letters did not contain Notice of Availability of the Department of Insurance as required and corrected the denial letter template to include this language while the exam was in progress. No median for response could be established.

### 4. External Independent Review

The examiners noted one violation of 215 ILCS 134/45(f)(4) in their review of the External Independent Reviews. The external independent reviewer failed to render a decision within five (5) days as required by 215 ILCS 134/45(f)(4). The Plan agreed that it failed to obtain a response from the external independent reviewer within five (5) days as required and has taken corrective action to prevent this happening in the future. The median for response was two (2) days.

## H. Policy Form Review

A review of the Policy Forms produced no criticisms.

## I. Advertising Review

A review of the Advertising examples produced no criticisms.

#### J. Consumer Advisory Committee

A review of the meeting minutes for the Consumer Advisory Committee produced one (1) criticism. A general criticism was written for failure to establish a Consumer Advisory Committee as required by 215 ILCS 134/75(a). The Plan agreed that it had failed to establish a Consumer Advisory Committee as required during the period covered by this exam. However, The Plan requested that the Report note that prior to the commencement of the exam, corrective action had been taken to re-establish this committee. The first meeting of the re-established committee occurred on March 31, 2009. The examination commenced on April 7, 2009.

#### VIII. INTERRELATED FINDINGS

None

#### IX. TECHNICAL APPENDICES

None





# Illinois Department of Insurance

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PAT QUINN  
Governor

ANDREW R. STOLFI  
Acting Director

December 9, 2011

Christine McBride  
Compliance Analyst  
Market Conduct Examination Team – Central Region  
UnitedHealthcare Plan of the River Valley, Inc. (NAIC # 95378)  
9200 Worthington Road  
Westerville, Ohio 43082-8823

Re: ***UnitedHealthcare Plan of the River Valley, Inc. (NAIC # 95378)***  
***Illinois Market Conduct Examination***

Dear Ms. McBride,

This is a belated response to your email of December 12, 2010.

Attached is a copy of the Report which has been revised after consideration of your 12/10/10 comments. Please provide any comments to me in writing by January 17, 2012. The ten day deadline for requesting a hearing pursuant to 215 ILCS 5/132 subsection (4) is hereby extended to January 17, 2012.

Please contact me if you have any questions.

Yours Truly,

James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield IL 62767  
312-833-5582 mobile  
217-557-8494 fax  
james.j.morris@illinois.gov

Christine A. McBride, Compliance Analyst  
Central Region Market Conduct Examination Team  
9200 Worthington Road, Westerville, OH 43082  
Tel. 614-410-7545 FAX: 614-410-7375  
E-Mail: [Christine\\_A\\_McBride@uhc.com](mailto:Christine_A_McBride@uhc.com)

January 13, 2012

Sent UPS and via e-mail to [james.j.morris@illinois.gov](mailto:james.j.morris@illinois.gov)

Mr. James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, IL 62767

**Re: UnitedHealthcare Plan of the River Valley, Inc. (NAIC #95378)  
Illinois Market Conduct Examination Report**

Dear Mr. Morris:

Thank you for your letter and revised Report referenced above which was received by the Company on December 9, 2011. The Company appreciates that you took into consideration our December 22, 2010 comments and modified the Report accordingly. The Company does not oppose the adoption of the Report with the revisions included in your December 9, 2011 correspondence.

As indicated in the Report, the Company took remedial action prior to the commencement of the examination for the issue related to the consumer advisory committee. During the examination, the Company took remedial action for the issues related to denial letters as well as the issue related to the external independent reviewer and following the examination the Company took remedial action for the provider termination issue.

The Company appreciates the time you took to resolve the outstanding matters related to the Report. I can be reached at (614) 410-7545 should you have any questions.

Sincerely,

*Christine A. McBride*

Christine A. McBride  
UnitedHealthcare Compliance Analyst  
Regulatory Affairs, Market Conduct Examination Team

Cc: Daniel R. Kueter  
Linda L. Cullen  
Ryan Tredway



# Illinois Department of Insurance

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PAT QUINN  
Governor

ANDREW BORON  
Director

February 1, 2012

Daniel Roger Kueter  
President  
UnitedHealthcare Plan of the River Valley, Inc.  
1300 River Drive, Suite 200  
Moline, IL 61265-1368

Dear Mr. Kueter,

Re: UnitedHealthcare Plan of the River Valley, Inc. (NAIC # 95378)  
Market Conduct Examination  
Stipulation and Consent Order

Enclosed please find two copies of a Stipulation and Consent Orders resulting from this Department's Market Conduct Examination of UnitedHealthcare Plan of the River Valley.

I request that you or another appropriate representative of UnitedHealthcare Plan of the River Valley, Inc. sign **both copies** of the Stipulation and Consent Order and return **both copies** to me. I will then request that the Director sign both copies one of which will be sent to you for retention.

Please contact me if you have any questions in this matter.

Yours Truly,

James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield IL 62767  
312-833-5582 mobile  
217-557-8463 fax  
james.j.morris@illinois.gov

Christine A. McBride, Compliance Analyst  
Central Region Market Conduct Examination Team  
9200 Worthington Road, Westerville, OH 43082  
Tel. 614-410-7545 FAX: 614-410-7375  
E-Mail: [Christine\\_A\\_McBride@uhc.com](mailto:Christine_A_McBride@uhc.com)

February 20, 2012

Sent UPS and via e-mail to [james.j.morris@illinois.gov](mailto:james.j.morris@illinois.gov)

Mr. James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, IL 62767

**Re: UnitedHealthcare Plan of the River Valley, Inc. (NAIC #95378)  
Illinois Market Conduct Examination  
Stipulation and Consent Order**

Dear Mr. Morris:

Per your February 1, 2012 letter to Dan Kueter, attached are two copies of the executed Stipulation and Consent Orders for the above-referenced Market Conduct Examination of UnitedHealthcare Plan of the River Valley, Inc.

You may contact me at (614) 410-7545 if you have any questions or require additional information.

Sincerely,

*Christine A. McBride*

Christine A. McBride  
UnitedHealthcare Compliance Analyst  
Regulatory Affairs, Market Conduct Examination Team

Cc: Daniel R. Kueter – CEO, UHC-RV  
Mary Stanislav - Regional Vice President  
Ryan Tredway - Regional General Counsel  
Linda L. Cullen - Director, Regulatory Affairs  
Jeffrey E. Jones - Director, Regulatory Affairs

Enc.

# STATE OF ILLINOIS

## DEPARTMENT OF INSURANCE



IN THE MATTER OF:

UnitedHealthcare Plan of the River Valley, Inc.  
NAIC # 95378

### STIPULATION AND CONSENT ORDER

WHEREAS, the Director (Director) of the Illinois Department of Insurance (Department) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, UnitedHealthcare Plan of the River Valley, Inc ("UH CPRV") is incorporated under the laws of the State of Illinois by the Secretary of State as a domestic for profit health maintenance organization and is authorized by the Director of Insurance to provide or arrange for one or more health care plans; and

WHEREAS, a Market Conduct Examination of the Company was conducted by duly qualified examiners of the Department pursuant to Sections 132, 401, 402 and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402 and 5/425) covering the period July 1, 2007 through June 30, 2008; and

WHEREAS, the Department examiner-in-charge has filed an examination report as an official document of the Department as a result of the Market Conduct Examination; and

WHEREAS, said report identifies certain areas in which UH CPRV was not in compliance with Illinois Managed Care Reform and Patient Rights Act (215 ILCS 134/1 *et seq.*) and Department Regulations (Title 50 Illinois Administrative Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by UH CPRV; and

WHEREAS, UH CPRV is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and



hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, UHCPRV understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, UHCPRV and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between UHCPRV and the Director as follows:

1. That the Market Conduct Examination indicated various areas in which UHCPRV was not in compliance with provisions of the Illinois Managed Care Reform and Patient Rights Act and/or Department Regulations; and
2. That the Director and UHCPRV consent to this order requiring UHCPRV to take certain actions to come into compliance with provisions of the Illinois Managed Care Reform and Patient Rights Act and/or Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that UHCPRV shall:

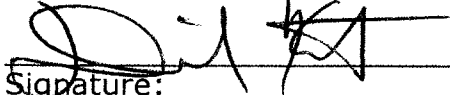
1. Institute and maintain procedures to comply with Title 50 Illinois Administrative Code 5420.50(b) which requires that a health care plan give at least 60 days notice of nonrenewal or termination of a health care provider to the enrollees served by the health care provider.
2. Institute and maintain procedures to comply with Title 50 Illinois Administrative Code 919.50(a) which requires that a health care plan provide a Notice of Availability of the Department when denying a claim or offering to settle for less than the amount claimed.
3. Institute and maintain procedures to comply with 215 ILCS 134/75 which requires that a health care plan establish a Consumer Advisory Committee which meets periodically.
4. Submit to the Director of Insurance, proof of compliance with the above three (3) Orders within 30 days of the execution of these Orders.
5. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of ten thousand dollars (\$10,000) to be paid within thirty (30) days of receipt of these Orders.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should UHCPRV violate any of the

provisions of this Stipulation and Consent order or any provisions of Chapter 215 of the Illinois Compiled Statutes or Department Regulations.

On behalf of:

UnitedHealthcare Plan of the River Valley, Inc.

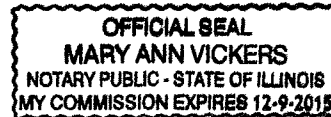
  
\_\_\_\_\_  
Signature:

Name: Daniel Kueter

Title: President

Subscribed and sworn to before me this  
17 day of February 2012.

  
\_\_\_\_\_  
Notary Public



DEPARTMENT OF INSURANCE of the  
State of Illinois;

  
\_\_\_\_\_

Director

DATE: 2/17/12



Christine A. McBride, Compliance Analyst  
Central Region Market Conduct Examination Team  
9200 Worthington Road, Westerville, OH 43082  
Tel. 614-410-7545 FAX: 614-410-7375  
E-Mail: [Christine\\_A\\_McBride@uhc.com](mailto:Christine_A_McBride@uhc.com)

May 3, 2012

Sent UPS and via e-mail to [james.j.morris@illinois.gov](mailto:james.j.morris@illinois.gov)

Mr. James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, IL 62767

**Re: Examination of UnitedHealthcare Plan of the River Valley, Inc. (NAIC #95378)  
Stipulation and Consent Order – Executed Copy received 3/22/2012**

Dear Mr. Morris:

Enclosed is the UnitedHealthcare Plan of the River Valley, Inc. corrective action response to the Illinois Department of Insurance Stipulation and Consent Orders executed by the Commissioner on March 15, 2012.

The Company is committed to taking appropriate action in response to the Illinois Department of Insurance recommendations in an effort to resolve the issues and maintain the goodwill of the Illinois Department of Insurance. Submission of this plan of correction should not be viewed as an admission of any violation of law or waiver of the Company's administrative due process rights. Many of the actions set forth in the corrective action plan began as soon as the Company was informed of the Department's concerns.

Should you have any questions regarding this response, please call me at (614) 410-7545.

Sincerely,

*Christine A. McBride*

Christine A. McBride  
UnitedHealthcare Compliance Analyst  
Regulatory Affairs, Market Conduct Examination Team

Cc: Daniel R. Kueter  
Linda L. Cullen  
Jeffrey E. Jones  
Ryan Tredway

## I. Summary of Findings

### Provider Terminations

**Finding #1** The Plan was criticized for failing to give enrollees sixty days notice of a known termination or nonrenewal of a health care provider's contract with the Plan as required by 50 Ill. Adm. Code 5420.50(b). The Stipulation and Consent Order requires the Plan to institute and maintain procedures to comply with Title 50 Illinois Administrative Code 5420.50(b) which requires that a health plan give at least 60 days notice of nonrenewal or termination of a health care provider to the enrollees served by the health care provider.

**Company Response:** At the time of the exam, the Company provided the examiners with the available records requested, documenting notification of a known termination. The Company agreed that in eight (8) instances the subscriber was not notified. Since that time, the Company has transitioned the process of documenting and notifying subscribers of a known termination to a more robust, automated system (PCIS.)

The Company also updated the policy and procedure (P&P) related to termination notifications. The attached P&P (**Att 01-NM31 IL UHCRV Provider Term Notifications**, effective 5/19/2010) states on page 10 that there are state-specific requirements related to notification time-frames and requirements. The P&P includes a reference to a related document outlining state notification requirements: "NCQA-State Requirements Multi-state Grid". Please see **Att 02-IL UHCRV State Grid**. The Company provided the page from the Grid that outlines the Illinois termination notification requirements.

**List evidence to be supplied:** Att 01-NM31 IL UHCRV Provider Term Notifications; Att 02-IL UHCRV State Grid

### Complaints, Appeals and External Independent Reviews

**Finding #2** The Plan was criticized for failing to provide insureds Notice of Availability of the Department of Insurance on denied claims as required by Title 50 Illinois Administrative Code 919.50(a)(1). The Stipulation and Consent Order requires the Plan to institute and maintain procedures to comply with Title 50 Illinois Administrative Code 919.50(a) which requires that a health care plan provide a Notice of Availability of the Department when denying a claim or offering to settle for less than the amount claimed.

**Company Response:** During the course of the exam, the Company informed the examiners that in an effort to conform to an enterprise-wide standardization, the "Notice of Availability of the Department of Insurance" language had been added to the pre-service denial adverse determination letter template. The Company subsequently updated all Letters of Denial to include "Notice of Availability of the Department of Insurance."

Attached is policy and procedure (P&P) (**Att 03-IL UHCRV Admin\_Clnc\_Med Denials**) which documents the procedures for medical and administrative appeals. As noted on page 4, Pre and Post Service appeal notification letters are to include both addresses of the Illinois Department of Insurance. Noted on page 8, administrative appeal notification letters are to include both addresses of the Illinois Department of Insurance.

**List evidence to be supplied:** Att 03-IL UHCRV Admin\_Clnc\_Med Denials

### **Company Ops and Management**

**Finding #3 The Plan was criticized for failure to establish a consumer advisory committee as required by 215 ILCS 134/75(a). The Stipulation and Consent Order requires the Plan to institute and maintain procedures to comply with 215 ILCS 134/75 which requires that a health care plan establish a Consumer Advisory Committee which meets periodically.**

**Company Response:** As indicated in the examination report, prior to the commencement of the exam, action had been taken to re-establish the Consumer Advisory Committee. The Company confirms that the Consumer Advisory Committee is active. Attached is the Company Charter for the Consumer Advisory Committee.

**List evidence to be supplied:** Att 04-IL UHCRV CAC Charter





# Illinois Department of Insurance

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PAT QUINN  
Governor

ANDREW BORON  
Director

May 8, 2012

Christine McBride  
Compliance Analyst  
Market Conduct Examination Team – Central Region  
UnitedHealthcare Plan of the River Valley, Inc. (NAIC # 95378)  
9200 Worthington Road  
Westerville, Ohio 43082-8823

Re: **UnitedHealthcare Plan of the River Valley, Inc. (NAIC # 95378)**  
**Stipulation and Consent Order – Executed Copy Received 3/22/12**

Dear Ms. McBride,

This is in response to your letter, dated May 3, 2012, on this subject. The information provided relating to Finding #1 is satisfactory proof of compliance. The information provided relating to Findings # 1 and 2 is both helpful and informative. However, I would appreciate receiving additional documentation confirming compliance with both Findings prior to closing my file on this exam. Please provide the information requested below by June 8, 2012.

Regarding Finding # 2, please provide:

1. a copy of the pre-service denial adverse determination letter template,
2. an example or template of a Pre and Post Service notice appeal letter, and
3. an example or template of an administrative appeal notification letter.

Regarding Finding # 3, please provide a list of the Consumer Advisory Committee board members, with their terms of service, who served between 1/1/11 and 3/31/12 and confirm that each was an enrollee who met the requirements set forth in subsection (c ) of 215 ILCS 134/72. Also, please provide the minutes of all Committee meetings between 1/1/11 and 3/31/12.

Please contact me if you have any questions.

Yours Truly,

James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
312-833-5582 mobile  
217-557-8494 fax  
james.j.morris@illinois.gov



Christine A. McBride, Compliance Analyst  
Central Region Market Conduct Examination Team  
9200 Worthington Road, Westerville, OH 43082  
Tel. 614-410-7545 FAX: 614-410-7375  
E-Mail: Christine\_A\_McBride@uhc.com

June 7, 2012

Sent UPS and via e-mail to [james.j.morris@illinois.gov](mailto:james.j.morris@illinois.gov)

Mr. James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, IL 62767

**Re: Examination of UnitedHealthcare Plan of the River Valley, Inc. (NAIC #95378)**  
**Exam: 2009 IL Market Conduct Exam**  
**Stipulation and Consent Order: Executed Copy received 3/22/2012**  
**Your Request for Additional Information: Dated May 8, 2012**

Dear Mr. Morris:

This is in response to your letter dated May 8, 2012 acknowledging receipt of the UnitedHealthcare Plan of the River Valley, Inc. corrective action plans sent to you May 3, 2012.

You indicated in your May 8, 2012 letter that the information the Company provided relating to Finding #1 was considered satisfactory proof of compliance. You have requested additional documentation confirming compliance with Findings #2 and #3, prior to closing your file on this exam.

Regarding Finding #2, we are providing the following per your request:

1. A copy of the pre-service denial adverse determination letter template – please see enclosed “Illinois Adverse Determination - uhcrv.”
2. An example or template of a Pre and Post Service notice appeal letter – please see enclosed “IL Appeal Letter.”
3. An example or template of an administrative appeal notification letter – please see enclosed “IL Admin Appeal Lev I Notf Ltr” and “IL Admin Appeal Lev II Notf Ltr.”

Regarding Finding #3, we are providing the following per your request:

1. A list of the Consumer Advisory Committee board members with their terms of service, serving between 1/1/11 and 3/31/12 and confirmation that each was an enrollee who met the requirements set forth in subsection (c) of 215 ILCS 134/75(a). Please see the enclosed EXCEL grid “IL CAC Members 1-1-11 thru 5-31-12” which provides the details for the Consumer Advisory Committee board members. The Company confirmation indicating member compliance with subsection (c) of 215 ILCS 134/75(a) is indicated on the grid.
2. Minutes of all Committee meetings between 1/1/11 and 3/31/12 – please see the enclosed Committee Meeting Minutes for the requested time-frame.

**PRIVILEGED AND CONFIDENTIAL EXAMINATIONS/INVESTIGATION COMMUNICATION, EXEMPT FROM PUBLIC DISCLOSURE OR INSPECTION, PURSUANT TO SECTION 215 ILCS 5/132.5**

Should you have any questions regarding this response, please call me at (614) 410-7545.

Sincerely,

*Christine A. McBride*

Christine A. McBride  
UnitedHealthcare Compliance Analyst  
Regulatory Affairs, Market Conduct Examination Team

Enclosures

Cc: Daniel R. Kueter  
Linda L. Cullen  
Jeffrey E. Jones  
Ryan Tredway



# Illinois Department of Insurance

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PAT QUINN  
Governor

ANDREW BORON  
Director

June 15, 2012

Christine McBride  
Compliance Analyst  
Market Conduct Examination Team – Central Region  
UnitedHealthcare Plan of the River Valley, Inc. (NAIC # 95378)  
9200 Worthington Road  
Westerville, Ohio 43082-8823

Re: **UnitedHealthcare Plan of the River Valley, Inc. (NAIC # 95378)**  
**Market Conduct Examination**

Dear Ms. McBride,

This is to advise you that the proofs of compliance in your June 7, 2012 letter, as supplemented by your June 15, 2012 email, are satisfactory. Accordingly, this Department is closing its file on this exam.

Please contact me if you have any questions.

Yours Truly,

James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
312-833-5582 mobile  
217-557-8494 fax  
james.j.morris@illinois.gov