MEMORANDUM OF UNDERSTANDING

BETWEEN

MISSOURI DEPARTMENT OF INSURANCE

AND

UNITED HEALTHCARE INSURANCE COMPANY

AND

UNITED HEALTHCARE OF THE MIDWEST, INC.

This Memorandum of Understanding is entered into on this ___ day of November, 2008, between the Missouri Department of Insurance, Financial Institutions and Professional Registration ("DIFP"), United HealthCare Insurance Company, a Connecticut corporation authorized to do business as an insurance company in the State of Missouri, and United HealthCare of the Midwest, Inc., a Missouri corporation authorized to do business as a health maintenance organization in the State of Missouri, (collectively "UHC" or the "Companies"), on behalf of itself and the other UHC Companies.

WHEREAS, the Director is the head of the DIFP and is vested with the authority to regulate the business of insurance in the State of Missouri; and

WHEREAS, UHC and certain of their affiliates operating on the UNET and Cosmos national platforms ("UHC Platform") have entered into a national Regulatory Settlement Agreement with certain jurisdictions to address specified Multistate Areas of Review concerning Claims, Coordination of Benefits, Appeals, Grievances and Complaints, Explanation of Benefits
and Oversight of Contracted Entities stemming from national UHC Platform which support the
administration of health insurance coverage provided by UHC; and

WHEREAS, DIFP is eligible to participate as a Signatory Regulator in the Regulatory
Settlement Agreement; and

WHEREAS, DIFP recently completed targeted market conduct examinations of United
HealthCare Insurance Company (Exam Number 0308-32-PPE) and United HealthCare of the
Midwest, Inc. (Exam Number 0406-46-PPE) to test the Companies’ compliance with the prompt
pay provision of Missouri law (“Prompt Pay Examinations”); and

WHEREAS, the Companies are currently implementing corrective action plans to correct
the deficiencies noted in the Prompt Pay Examinations; and

WHEREAS, DIFP is currently examining United HealthCare Insurance Company,
United HealthCare of the Midwest, Inc. and ACN Group, Inc., an affiliate of the Companies,
regarding the provision of chiropractic care benefits under the Companies policies (“Chiropractic
Care Examinations”); and

WHEREAS, DIFP previously discovered significant numbers of ineligible persons
participating in a UHC small employer health plan; and

WHEREAS, DIFP is required by Mo. Rev. Stat. § 354.465 to review the activities of
health maintenance organizations every three years, and DIFP is currently engaged in a three-
year examination of United HealthCare of the Midwest, Inc.; and

WHEREAS, there have been times during which the provider portal that, among other
capabilities, allows affiliated providers to check patient eligibility, submit claims, verify claim
status, estimate claims, and verify payment status was unavailable through UHC’s website; and
WHEREAS, DIFP and UHC desire to reduce to writing their agreements and understandings with regard to the Regulatory Settlement Agreement; and

NOW THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

I. DIFP’s execution of the Regulatory Settlement Agreement does not relieve the Companies of their obligations to implement corrective action plans to correct the deficiencies noted in the Prompt Pay Examinations.

II. The Chiropractic Care Examinations are not subject to or limited by the Regulatory Settlement Agreement.

III. With the exception of issues covered by the Multi-State Areas of Review, all issues identified in Missouri’s current examination of United HealthCare of the Midwest, Inc. pursuant to Mo. Rev. Stat. § 354.465 are not subject to the provisions of the Regulatory Settlement Agreement.

IV. To the extent practicable, UHC will provide DIFB with advance notification of the implementation of any new process improvement or any enhancement of existing process improvements that would have a material impact on the claim payment process.

V. UHC shall continue to implement the policies and procedures attached hereto as Exhibit A designed to ensure that small business groups enroll only those persons eligible to participate.

VI. During the Term of the Regulatory Settlement Agreement, the MDI’s participation in the Regulatory Settlement Agreement and the ongoing monitoring of the UHC Companies for compliance with the Regulatory Settlement Agreement constitute a joint market conduct examination or investigation of UHC of the Midwest relating to issues under the

VII. UHC will provide timely access to its provider portal including the establishment of an emergency contingency plan when the portal is not available.

VIII. All terms used in this Memorandum of Understanding shall have the same meanings as established in the Regulatory Settlement Agreement except as expressly stated herein.

IX. Except as stated herein, this Memorandum of Understanding does not amend or supersede any provisions of the Regulatory Settlement Agreement as applied to Missouri.

X. This Memorandum of Understanding and the Regulatory Settlement Agreement referred to in this Memorandum of Understanding constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among or between any of the parties with respect to the subject matter hereof and thereof.

XI. Should the Regulatory Settlement Agreement be modified, amended or otherwise altered in the future, the parties agree to mutually amend this agreement if necessitated by amendments to said Regulatory Settlement Agreement.

XII. This Memorandum of Understanding may not be terminated or amended except by written agreement signed by duly authorized persons of DIFP and UHC.

In witness whereof, the parties have executed this Memorandum of Understanding the date and year first written above.

[SIGNATURES ON FOLLOWING PAGE]
Linda Bohrer
Acting Director of Insurance

UNITED HEALTHCARE
INSURANCE COMPANY

Name

Secretary / Senior Title

UNITED HEALTHCARE OF THE MIDWEST, INC.

Name

President & CEO Title

Deputy General Counsel
EXHIBIT A

Change in Census Policy and Procedure

Business Need

Monitor PRIME Small Business groups that had a significant change in subscribers in accordance with the set parameters. Eligibility/Participation audits will be conducted on these groups to determine if these groups continue to comply with UHC participation and eligibility requirements. The purpose of the Census Change report is to establish a procedure to identify groups with significant census changes and unusually high enrollment turnover.

This policy is meant to outline the criteria used for this report plus how this report is incorporated into the audit database where subsequent audits are performed.

Parameters

- PRIME groups
- Small Business (2-99 subscribers)
  - Groups 2-9 subscribers – not included
  - Groups 10-99 subscribers – 200% or greater change in enrolled members
    - The 200% change is for increases and decreases in census

Procedures

- 1st of the month – request report from PRIME reporter based upon customer number
- Effective/Renewal month – monitored every 3 months for above size parameters. (i.e. October effective/renewal date – group subscriber level validation occurs in January, April, July & October)
- Risk Management department will determine if Eligibility/Participation audit is warranted
- If an audit is necessary, they will incorporate the data into the monthly audit listing
- If a group does not meet requirements or does not respond to our audit request, the group will be cancelled

** Additional participation audits will be conducted on 1 life groups for all Small Business that appear on the Version 1 report in States that do not allow groups with 1 subscriber. This will encompass first and non-first year groups.

Revised 10/31/08
PARTICIPATING REGULATOR ADOPTION

On behalf of Missouri Department of Insurance, Financial Institutions and Professional Registration, I, Linda Bohrer, hereby adopt, agree, and approve this Agreement.

MISSOURI DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION

BY:  
Linda Bohrer, Acting Director of Insurance

Date: __________________________