

1 **MEMORANDUM OF UNDERSTANDING**

2 **BETWEEN**

3 **MISSOURI DEPARTMENT OF INSURANCE**

4 **AND**

5 **UNITED HEALTHCARE INSURANCE COMPANY**

6 **AND**

7 **UNITED HEALTHCARE OF THE MIDWEST, INC.**

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9  
10 This Memorandum of Understanding is entered into on this \_\_\_\_ day of November,  
11 2008, between the Missouri Department of Insurance, Financial Institutions and Professional  
12 Registration (“DIFP”), United HealthCare Insurance Company, a Connecticut corporation  
13 authorized to do business as an insurance company in the State of Missouri, and United  
14 HealthCare of the Midwest, Inc., a Missouri corporation authorized to do business as a health  
15 maintenance organization in the State of Missouri, (collectively “UHC” or the “Companies”), on  
16 behalf of itself and the other UHC Companies.

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

19 WHEREAS, UHC and certain of their affiliates operating on the UNET and Cosmos  
20 national platforms (“UHC Platform”) have entered into a national Regulatory Settlement  
21 Agreement with certain jurisdictions to address specified Multistate Areas of Review concerning  
22 Claims, Coordination of Benefits, Appeals, Grievances and Complaints, Explanation of Benefits

1 and Oversight of Contracted Entities stemming from national UHC Platform which support the  
2 administration of health insurance coverage provided by UHC; and

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

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

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

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

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

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

20 WHEREAS, there have been times during which the provider portal that, among other  
21 capabilities, allows affiliated providers to check patient eligibility, submit claims, verify claim  
22 status, estimate claims, and verify payment status was unavailable through UHC's website; and

1           WHEREAS, DIFP and UHC desire to reduce to writing their agreements and  
2 understandings with regard to the Regulatory Settlement Agreement; and

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

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

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

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

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

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

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

1 jurisdiction of the MDI for purposes of Mo. Rev. Stat. § 354.465 pursuant to Mo. Rev. Stat. §  
2 374.185.3(4) (SB66, effective August 28, 2007).

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

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

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

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

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

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

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

21 [SIGNATURES ON FOLLOWING PAGE]

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2 MISSOURI DEPARTMENT OF  
3 INSURANCE, FINANCIAL INSTITUTIONS  
4 AND PROFESSIONAL REGISTRATION

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6

7

*Linda Bohrer*

8

Linda Bohrer

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11

Acting Director of Insurance

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UNITED HEALTHCARE  
INSURANCE COMPANY

*Thomas McGuire*  
Thomas McGuire

Name

UNITED HEALTHCARE OF  
THE MIDWEST, INC.

*Steve C. Walli*

Name Steve C. Walli

*Secretary / Senior  
Deputy General  
Counsel*

Title

*President & CEO*

Title

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1 EXHIBIT A

2 **Change in Census Policy and Procedure**

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5 Business Need

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

11  
12 This policy is meant to outline the criteria used for this report plus how this report is  
13 incorporated into the audit database where subsequent audits are performed.

14  
15 Parameters

- 16     ▪ PRIME groups  
17     ▪ Small Business (2-99 subscribers)  
18         ◆ Groups 2-9 subscribers – not included  
19         ◆ Groups 10-99 subscribers – 200% or greater change in enrolled members  
20             ▪ The 200% change is for increases and decreases in census  
21

22 Procedures

- 23     ▪ 1<sup>st</sup> of the month – request report from PRIME reporter based upon customer number  
24     ▪ Effective/Renewal month – monitored every 3 months for above size parameters. (i.e.  
25         October effective/renewal date – group subscriber level validation occurs in January,  
26         April, July & October)  
27     ▪ Risk Management department will determine if Eligibility/Participation audit is  
28         warranted  
29     ▪ If an audit is necessary, they will incorporate the data into the monthly audit listing  
30     ▪ If a group does not meet requirements or does not respond to our audit request, the group  
31         will be cancelled

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33  
34     \*\* Additional participation audits will be conducted on 1 life groups for all Small Business  
35     that appear on the Version 1 report in States that do not allow groups with 1 subscriber. This  
36     will encompass first and non-first year groups.

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40 Revised 10/31/08  
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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  
Linda Bohrer, Acting Director of Insurance

Date: 11-08-08