Illinois Department of Insurance

JB Pritzker
Governor

Robert H. Muriel
Director

VIA ELECTRONIC MAIL
VIA USPS CERTIFIED MAIL

October 8, 2020

Ms. Colleen Hastings Van Ham
President
United Healthcare of Illinois, Inc.
200 East Randolph Street, Suite 5300
Chicago, IL. 60601

Re: United HealthCare Insurance Company of Illinois, NAIC 60318
United Healthcare of Illinois, Inc., NAIC #95776
United Healthcare Insurance Company of the River Valley, NAIC #12231
Market Conduct Examination Report Closing Letter

Dear Ms. Hastings Van Ham:

The Department has received your Company's proof of compliance. Therefore, the Department is closing its file on this exam.

I intend to ask the Director to make the Examination Report and Stipulation and Consent Order available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer

Erica Weyhenmeyer
Chief Market Conduct Examiner
Illinois Department of Insurance
320 West Washington St., 5th Floor
Springfield, IL 62767
Phone: 217-782-1790
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ILLINOIS DEPARTMENT OF INSURANCE
MENTAL HEALTH PARITY MARKET CONDUCT EXAMINATION
REPORT OF
UNITEDHEALTHCARE INSURANCE COMPANIES

MENTAL HEALTH PARITY MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION:	March 19, 2018 through November 30, 2018
EXAMINATION OF:	UnitedHealthcare Insurance Company of Illinois NAIC #60318 UnitedHealthcare of Illinois, Inc. NAIC #95776 UnitedHealthcare Insurance Company of the River Valley NAIC #12231
LOCATION:	7440 Woodland Drive Indianapolis, IN 46278
PERIOD COVERED BY EXAMINATION:	November 1, 2016 through October 31, 2017
EXAMINERS:	Linda Miller David Bradbury Pat Hahn Art Kusserow Kirk Stephan, Pharmacist Lucinda Woods, Examiner-in-Charge Shelly Schuman, Supervisory Insurance Examiner

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I. SCOPE OF TARGETED EXAMINATION

Pursuant to the Director's authority as provided under Articles IX, XXIV, and XXVI, Sections 132, 401, 401.5, 402, 403 and 425 of the Illinois Insurance Code, a mental health parity targeted market conduct examination was called on UnitedHealthcare Insurance Companies (hereinafter referred to as the "Company").

The primary purpose of the examination was to verify the Company's compliance with the Illinois Insurance Laws and Departmental Regulations. The scope of the examination included, but was not limited to, activities as they pertained to parity in relation to mental health and substance use disorder (MH/SUD) within the Company's health insurance business. The examination encompassed the period from November 1, 2016 through October 31, 2017.

The objective of the examination was to evaluate if the Company designed, implemented, and managed MH/SUD benefits no less favorably than medical/surgical benefits. The objectives of the specific areas of review for the examination included but were not limited to the following:

1. Review the procedures and guidelines related to utilization review to ensure that such guidelines and utilization review processes on MH/SUD services are no more stringently applied than those applied to medical/surgical services.

2. Evaluate a sample of MH/SUD claims during the examination period to compare services to medical/surgical services and to ensure denials were appropriate based on medical necessity criteria.

3. Evaluate the universe of appeals during the examination period to determine if the appeal decisions were based on appropriate clinical criteria and policies.

4. Evaluate the medical necessity criteria, policies, and procedures to ensure the Company was not imposing more restrictive requirements and determinations for MH/SUD treatments and services than on medical/surgical treatments and services.

5. Determine that the MH/SUD benefits provided in the classifications identified by 45 CFR § 146.136(c)(2)(ii)(A): inpatient in-network, inpatient out-of-network, outpatient in-network, outpatient out-of-network, emergency care and prescription drugs, are paid in parity with benefits in the same medical/surgical classifications.

6. Evaluate financial requirements and quantitative treatment limitations (QTL) to ensure that any such requirements and limitations were consistently applied through MH/SUD and medical/surgical benefits and that any financial requirements and QTLs imposed meet the two-thirds threshold of substantially all requirements outlined in 45 CFR § 146.136(c)(3)(i).
7. Evaluate non-quantitative treatment limitations (NQTL) to ensure that such

limitations were consistently applied through MH/SUD and medical/surgical benefits and that the Company was not being more restrictive as outlined in 45 CFR § 146.136(4)(i) and 45 CFR § 146.136(4)(ii).

8. Evaluate pre-certification/prior-authorization, step therapy policies, and procedural requirements for MH/SUD treatments to ensure that any such requirements were no more restrictive than the comparable medical/surgical policies and procedural requirements.

9. Determine that the policies and procedures for the selection, tier placement, and quantity limitations of MH/SUD treatment drugs on the formulary were no less favorable to the insured than policies and procedures used for the selection, placement, and limitations of medical/surgical drugs.

For this targeted examination, a MH/SUD subject matter expert and a pharmacist assisted in the interpretation of the documentation provided with respect to MH/SUD parity and pharmacy benefits.

II. SUMMARY OF FINDINGS

A targeted mental health parity market conduct examination was performed to determine compliance with Illinois statutes, the Illinois Administrative Code, as well as federal statutes and rules related to the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA). The following table represents general findings with specific details in each section of the report.

Table of Total Violations					
Criticism Number	**Statute/Rule**	**Description of Violations**	**Files Reviewed**	**No. of Violations**	**% Population**
05- Grievance	215 ILCS 5/370c.1	Company incorrectly denied claim for exceeding the 20-visit limitation as stated in schedule of coverage.	N/A	N/A	N/A
06- Paid Claims	215 ILCS 5/356z.14(b)	Company certificate of coverage autism maximum benefit limit was less than the adjusted maximum benefit for inflation using the Medical Care Component as specified in IL Bulletin 2011-04.	N/A	N/A	N/A
07- Denied Claims	215 ILCS 5/356z.14(b)	Company certificate of coverage autism maximum benefit limit was less than the adjusted maximum benefit for inflation using the Medical Care Component as specified in IL Bulletin 2011-04.	N/A	N/A	N/A
08- Grievance	215 ILCS 5/370c(b)(3)	Failed to use only American Society of Addiction Medicine criteria to make medical necessity determinations for substance use disorders.	N/A	N/A	N/A
09-Appeals	215 ILCS 5/370c(b)(3)	Failed to use only American Society of Addiction Medicine criteria to make medical necessity determinations for substance use disorders.	N/A	N/A	N/A

Table of Total Violations					
Criticism Number	**Statute/Rule**	**Description of Violations**	**Files Reviewed**	**No. of Violations**	**% Population**
16-Pharmacy Finding-Formulary Design	215 ILCS 5/370c.1	Imposed a NQTL with respect to MH/SUD benefits not in parity with medical/surgical benefits by applying a different standard than Medical/Surgical medications by placing prior authorization restriction on all smoking cessation medications.	N/A	N/A	N/A
17-Pharmacy Formulary Design	215 ILCS 5/370c.1	Imposed a NQTL with respect to MH/SUD benefits not in parity with medical/surgical benefits by applying a different standard than Medical/Surgical medications by placing prior authorization restriction on all buprenorphine containing substance abuse medications.	N/A	N/A	N/A
18-Pharmacy Formulary Design	215 ILCS 5/370c.1	Imposed a NQTL with respect to MH/SUD benefits not in parity with medical/surgical benefits by applying a different standard than Medical/Surgical medications by placing prior authorization restriction on all stimulant containing ADHD medications.	N/A	N/A	N/A
Interrelated Finding 10 - Appeals	215 ILCS 134/45(c)	Failed to verbally contact multiple parties of its appeal decision.	19	19	100%
Interrelated Finding 11 - Grievances	215 ILCS 134/45(c)	Failed to verbally contact any party of its appeal decision.	71	71	100%
Interrelated Finding 12 - Grievances	215 ILCS 134/45(c)	Failed to render a decision on appeals within 15 business days after receipt of the required information.	71	4	5.6%

Table of Total Violations					
Criticism Number	**Statute/Rule**	**Description of Violations**	**Files Reviewed**	**No. of Violations**	**% Population**
Interrelated Finding 13-Paid Claims	215 ILCS 180/25	In violation of law the Certificate of Coverage indicated the appellant must contact the insurance company instead of "Director" as stated in the law.	109	6	5.5%
Interrelated Finding 14 –Paid Claims	215 ILCS 5/368a(c)	Underpayment of a claim.	109	1	0.9%
Interrelated Finding 15-Paid Claims	215 ILCS 5/368a(c)	Failure to pay claims within 30 days.	109	5	4.6%
Interrelated Finding 19-External Review-IL Department of Insurance List	215 ILCS 5/368a(c)	Underpayment of claim.	22	1	4.5%

III. METHODOLOGY

The targeted market conduct examination process placed emphasis on an insurer's systems and procedures used in dealing with insureds and claimants. The individual health business was reviewed in this examination.

The review of the MH/SUD operations included the following areas:

A. Company Operations and Management
B. Complaints
C. Appeals/Grievances
D. Underwriting
E. Utilization Reviews
F. External Reviews
G. Claims
H. Substantially All/Predominant Cost-Sharing Testing in Health Plans
I. Formulary Designs

The review of these categories was accomplished through examination of material related to the Company's operations and management, plans, complaint files, claim files, as well as interviews with various Company personnel and Company responses to the coordinator's handbook, interrogatories and criticisms.

The following method was used to obtain the required samples and to ensure a statistically sound selection. Surveys were developed from company-generated Excel spreadsheets. Random statistical file selections were generated by the examiners from these spreadsheets. In the event the number of files was too low for a random sample, the sample consisted of the universe of files.

Company Operations and Management

A review was conducted of the Company's underwriting and claims guidelines and procedures, policy forms, third party vendors, internal audits, certificate of authority, previous market conduct examinations and annual statements. There were no exceptions noted.

Complaints

The Company was requested to identify MH/SUD consumer and Illinois Department of Insurance complaints received during the examination period and to provide copies of the complaint logs. All complaint files and logs were received. The files were reviewed for compliance with Illinois statutes and the Illinois Administrative Code.

Appeals/Grievances

The Company was requested to identify MH/SUD appeals and grievances for the experience period. Random samples of these files were made by the examiners and submitted to the Company. The files were received and reviewed for compliance with Illinois statutes and the Illinois Administrative Code, the MHPAEA and related regulations.

Underwriting

The Company was requested to provide a sample accident and health certificate of coverage including all disclosures for each plan written in Illinois. The certificates were reviewed for compliance with Illinois statutes and the Illinois Administrative Code.

Utilization Reviews

The Company was requested to provide a list of all utilization reviews for the experience period. The Company identified the universe of MH/SUD utilization reviews for health and pharmacy. Random samples of the files were made by the examiners and submitted to the Company. The utilization review files were received and reviewed for compliance with Illinois statutes, the Illinois Administrative Code, the MHPAEA and related regulations.

External Reviews

The Company was requested to provide a list of all external reviews for the experience period. The Company identified the universe of MH/SUD external reviews for health and pharmacy. Random samples of the files were made by the examiners and submitted to the Company. The external files were received and reviewed for compliance with Illinois statutes, the Illinois Administrative Code, the MHPAEA and related regulations.

Claims

The Company was requested to provide a list of all claims during the examination period, to include paid and denied. The Company identified the universe of MH/SUD claims for health and pharmacy. Random samples of the files were made by the examiners and submitted to the Company. Due to various disqualifying factors, some individual files in the samples were replaced with another file. The files and responses to information requests and interrogatories were reviewed to ensure the claims were processed in compliance with the policy, Illinois statutes, the Illinois Administrative Code, the MHPAEA and related regulations.

Substantially All/Predominant Cost-Sharing Testing in Health Plans

The Company was requested to provide the mental health parity testing of its health plans and the benefit classifications for medical/surgical and MH/SUD categories. The benefits, as classified accordingly, were evaluated for financial requirements and quantitative treatment limitations (QTL) compliance. The parity analyses of the health plans were reviewed for compliance with Illinois statutes, the Illinois Administrative Code, the MHPAEA and related regulations.

Formulary Designs

The Company was requested to identify and provide all formulary designs and pharmacy policies and procedures used during the experience period for MH/SUD requirements. In accordance with the requirements of the examination, the data and responses to follow up information requests were reviewed. The pharmacy documentation and responses to follow up information requests and interrogatories were reviewed for compliance with Illinois statutes, the Illinois Administrative Code, the MHPAEA and related regulations.

IV. SELECTION OF SAMPLES

Survey	Population	Number Reviewed	Percentage Reviewed
Complaints			
Consumer Complaint – ILDOI	190	79	41.58%
Consumer Complaints – Received by the Company	43	43	100%
Appeals/Grievances			
Appeals	58	58	100%
Grievances	71	71	100%
Utilization Reviews			
Utilization Reviews – Individual Health	4,767	115	2.41%
External Reviews			
External Reviews-Mental Health	8	8	100%
External Reviews-ILDOI	22	22	100%
Claims			
Mental Health – Paid	154,369	109	<1%
Mental Health – Denied	45,828	109	0.24%
Pharmacy – Paid	297,188	109	<1%
Pharmacy – Denied	79,669	109	<1%

V. COMPANY BACKGROUND

UnitedHealthcare Corporation

UnitedHealthcare Corporation was created in 1977 and became the parent company of Charter Med Incorporated.

UnitedHealthcare Insurance Company of Illinois

On August 31, 1993, Chicago Health Multi Option Insurance Ltd was acquired by United Healthcare Corporation in the HMO America, Inc. acquisition. Effective December 31, 2008, the Corporation changed its name to UnitedHealthcare Insurance Company of Illinois.

UnitedHealthcare of Illinois, Inc.

UnitedHealthcare of Illinois, Inc. ("UHCIL") was a Delaware corporation and was granted a Certificate of Authority in Illinois on January 9, 1976, to transact business as a health maintenance organization.

In 2002, at the direction of the Delaware and Illinois Department of Insurance, UHCIL was redomesticated from Delaware to Illinois.

UnitedHealthcare Insurance Company of the River Valley

UnitedHealthcare Insurance Company of the River Valley ("UHICRV") formerly known as John Deere Health Insurance Company, Inc. was formed August 2, 2004. UHICRV's Certificate of Authority was issued on December 8, 2004 and commenced business on December 8, 2004.

Effective February 24, 2006, UnitedHealthcare, Inc., a wholly owned subsidiary of UnitedHealth Group Incorporated ("United") acquired all the shares of John Deere Health Care, Inc., which resulted in the Companies becoming part of UnitedHealthcare.

Company	Direct Premiums Written	Direct Premiums Earned	Direct Loss Incurred	Pure Direct Loss Ratio
United- Healthcare Insurance Company of Illinois	$1,234,639,285	$1,232,733,372	$962,133,391	78%
United- Healthcare of Illinois, Inc.	$177,095,397	$173,276,434	$135,574,519	77%
United-Healthcare Insurance Company of the River Valley	$145,853,381	$145,852,708	$127,506,001	87%

VI. MENTAL HEALTH PARITY FINDINGS

A. COMPLAINTS

1. Department of Insurance Consumer Complaints

   There were no criticisms in the Department of Insurance consumer complaints survey.

2. Consumer Complaints Received Directly by the Company

   There were no criticisms in the consumer complaints survey.

B. APPEALS/GRIEVANCES

The Company failed to use only American Society of Addiction Medicine criteria to make medical necessity determinations for substance use disorders. This is a violation of 215 ILCS 5/370c(b)(3).

C. UNDERWRITING

The Company was requested to provide a sample accident and health certificate of coverage including all disclosures for each plan written in Illinois. The certificates were reviewed for compliance with Illinois statutes and the Illinois Administrative Code.

In three cases, the certificate of coverage had an autism maximum benefit limit that was less than the adjusted maximum benefit for inflation using the Medical Care Component as specified in Illinois Department of Insurance Bulletin 2011-04. The Company confirmed no annual limit will be applied going forward.

D. UTILIZATION REVIEWS

1. Utilization Reviews

   No criticisms were identified.

E. CLAIMS

1. Group Health – Paid

   There were no criticisms in the group health – paid claims survey.

2. Group Health - Denied

Company incorrectly denied a claim for exceeding the 20-visit limitation which was inappropriately incorporated in the certificate of coverage. These are violations of 45 CFR § 146.136(c)(2)(i), 45 CFR § 146.136(c)(2)(ii)(A), and 215 ILCS 5/370c.1.

3. Pharmacy – Paid

There were no criticisms in the pharmacy paid claims survey.

4. Pharmacy – Denied

There were no criticisms in the pharmacy denied claims survey.

F. SUBSTANTIALLY ALL AND PREDOMINANT COST-SHARING TESTING IN HEALTH PLANS

During the examination, the Company was requested to provide the parity testing and associated certificates of coverages for all individual and family health plans issued in 2016-2017. The Company provided copies of the historical certificates of coverage and copies of the replicated cost share testing analyses.

G. PHARMACY

1. Smoking Cessation Drug

The Company placed prior authorization restrictions on all of its Smoking Cessation medications (both brand and generic formulations). In comparison to medical/surgical medications, this is a violation of the Mental Health Parity and Addictions Equity Act of 2008 (MHPAEA). Tobacco use disorder is a substance use disorder according to DSM-5 305.1 (Z72.0) (F17.200). This practice is evident during the exam period 11/1/2016 to 10/31/2017 for all formularies in use during the examination period.

The Company has violated MHPAEA (45 CFR § 146.136(c)(4)(i), 45 CFR § 146.136(c)(4)(ii)(B), and 45 CFR § 146.136(c)(1)(iii)) and ILCS (215 ILCS 5/370c.1) by placing a prior authorization restriction on all smoking cessation medications.

In addition, the Company placed a limitation of two 90-day treatment courses per year on smoking cessation medications. This limitation is not comparatively represented in medical/surgical medications. A limitation of two 90-day treatment courses per year is considered a QTL.

The Company has represented that it removed prior authorization for all smoking cessation medications/products in 2019.

The Company disagrees with this violation from an understanding that the policies and procedures for MH/SUD and Med/Surg medications are the same as and not more stringent as required under MHPAEA and 215 ILCS 5/370c.1. The Company believes neither requires the outcome/NQTL to be the same for each medication.

2. Substance Use Medications: Buprenorphine-Prior Authorization

The Company placed a prior authorization restriction on all buprenorphine containing medications. This is more restrictive than coverage for similar classed drugs on the Med/Surge side and therefore not in parity.

The Company has violated both MHPAEA (45 CFR § 146.136(c)(4)(i), 45 CFR § 146.136(c)(4)(ii)(B), and 45 CFR 146.136(c)(4)(ii)(F)) and ILCS (215 ILCS 5/370c.1) by placing a prior authorization restriction on all buprenorphine containing medications and a strict fail first policy on brand name Zubsolv (buprenorphine/naloxone combination product). Placing a prior authorization and a strict fail first policy on this class of medications is a restrictive practice and could delay/prevent treatment while also potentially causing harm to the member (withdrawal, or relapse which could lead to an overdose.

It should be noted that the Company changed this policy on March 1, 2017 (after the examination period), by removing the prior authorization requirement on single entity buprenorphine and Zubsolv (buprenorphine/naloxone). The Company has also represented that it removed prior authorization on non-preferred medications in 2019.

The Company disagrees with this violation from an understanding that the policies and procedures for MH/SUD and Med/Surg medications are the same as and not more stringent as required under MHPAEA and 215 ILCS 5/370c.1. The Company believes neither requires the outcome/NQTL to be the same for each medication.

3. ADHD Medications containing Stimulants-Prior Authorization

The Company placed a prior authorization restriction on all stimulant containing ADHD medications. This is an NQTL in violation of MHPAEA (45 CFR § 146.136(4)(i), and 45 CFR § 146.136(4)(ii)(B)) and ILCS (215 ILCS 5/370c.1). Placing a prior authorization on this class of medications is a restrictive practice and is inconsistent with practices for MED/SURG medications. The Company needs to reevaluate its policies on all stimulant containing ADHD medications and make these medications more accessible to members in order to be in compliance with MHPAEA and ILCS

The Company disagrees with this violation from an understanding that the policies and procedures for MH/SUD and Med/Surg medications are the same as and not

more stringent as required under MHPAEA and 215 ILCS 5/370c.1. The Company believes neither requires the outcome/NQTL to be the same for each medication.

VII. INTERRELATED FINDINGS

1. Also, it was determined that in nineteen (19) instances of the fifty-eight (58) MH/SUD appeal files reviewed, the Company failed to verbally contact any party of its appeal decision. This is a violation of 215 ILCS 134/45(c).

2. During the review of the MH/SUD grievance files it was determined that in four (4) of the seventy-one (71) grievance files reviewed the Company is criticized for failure to notify the party filing the grievance within 15 days of its decision. Also, it was determined that in all the grievance files for a total of seventy-one (71) grievance files reviewed, the Company failed to verbally contact any party of its appeal decision. This is a violation of 215 ILCS 134/45(c).

3. During the review of the MH/SUD paid claim files, in six (6) files of the one-hundred and nine (109) reviewed, the certificates of coverage for the claim state that the appellant must contact the insurance company in lieu of the Director in violation of the Health Carrier External Review statute at 215 ILCS 180/25. Also, it was determined that one (1) file of the one-hundred and nine (109) was underpaid. The Company issued a reimbursement of $558.71 including interest on October 30, 2018. Finally, in five (5) files of the one-hundred and nine (109) the Company failed to pay the claim within thirty (30) days. This is in violation of 215 ILCS 5/368a(c).

4. During the review of external review files, it was determined that one (1) of the twenty-two (22) Illinois Department of Insurance files identified was underpaid in an amount to be determined. This is in violation of 215 ILCS 5/368a(c).

VIII. OTHER CONCERNS

1. During the review of the Company's certificate of coverage, the Company imposed a prior authorization requirement on "psychological testing". The Company has represented this term will only be applied to psychological tests as used in "The Standards for Educational and Psychological Testing" published by the American Psychological Association. The Department is concerned that the way the term is used in the policy can seem ambiguous and broad to consumers, which may cause them to refrain from seeking treatment.

2. The Company's certificate of coverage imposes a prior authorization on outpatient treatment visits beyond 45-50 minutes which includes medication management. The Department is concerned that this limitation may cause consumers to refrain from seeking treatment in some circumstances.

EXAMINATION DRAFT REPORT SUBMISSION

The courtesy and cooperation of the officers and employees of the Company during the examination are acknowledged and appreciated.

Linda Miller
David Bradbury-Illinois Department of Insurance
Pat Hahn-Illinois Department of Insurance
Art Kusserow
Kirk Stephan, Pharmacist
Lucinda Woods, Examiner-in-Charge
Shelly Schuman, Supervisory Insurance Examiner

Respectfully submitted,

Lucinda Woods

Lucinda Woods, CPCU, MCM, CIE, MHP, FHIAS, HCP, ARM, ARC
EXAMINER-IN-CHARGE

Shelly Schuman

SHELLY SCHUMAN, ACS, AIE, AMCM, FLMI, HIA
SUPERVISING EXAMINER

STATE OF MASSACHUSETTS)
) ss
COUNTY OF WORCESTER)

Lucinda A Woods, being first duly sworn upon her oath, deposes and says:

That she was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In-Charge to examine the insurance business and affairs of UnitedHealthcare Insurance Company of Illinois, NAIC #60318, United Healthcare of Illinois, NAIC #95776, United Healthcare Insurance Company of the River Valley, NAIC #12231, (the "Company").

That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Companies with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Companies' business and affairs and the manner in which the Companies conduct their business;

That neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is an officer of, connected with, or financially interested in the Companies nor any of the Companies' affiliates other than as a policyholder or claimant under a policy or as an owner of shares in a regulated diversified investment company, and that neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Companies pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That she was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Companies for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Companies.

Examiner-In-Charge

Subscribed and sworn to before me

this 14th day of JULY, 2020

Notary Public

HOWLADER F. RAHMAN
Notary Public
Commonwealth of Massachusetts
My Commission Expires
August 14, 2020

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

IN THE MATTER OF:

UnitedHealthcare Insurance Company of Illinois
UnitedHealthcare of Illinois, Inc.
UnitedHealthcare Insurance Company of the River Valley
7440 Woodland Drive
Indianapolis, IN 46278

STIPULATION AND CONSENT ORDER

WHEREAS, the 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 Insurance Company of Illinois, NAIC 60318, UnitedHealthcare of Illinois, Inc., NAIC 95776, and UnitedHealthcare Insurance Company of the River Valley, NAIC 12231, collectively referred to as "the Company," are authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling, and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report covering the examination period of November 1, 2016 through October 31, 2017, which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, the Company's disagreement with those findings in the Market Conduct Examination Report, a verified version of which was reissued to Company on February 28, 2020, are noted; and

WHEREAS, as of the date of entry of this Stipulation and Consent Order, the Company has represented to the Director that the Company is in compliance with the various areas cited in the Market Conduct Examination Report, as described in the Company's response to the findings in the Market Conduct Examination Report; and

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

WHEREAS, the Company is aware of and understands its various rights in connection with the Market Conduct Examination and Market Conduct Examination Report, including the right to counsel, notice, hearing, and appeal pursuant to Sections 132, 401, 402, 407, and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

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

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the Market Conduct Examination Report and in order to avoid any further administrative action related to the aforementioned Market Conduct Examination Report, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS AGREED by and between the Company and the Director as follows:

1. The Market Conduct Examination Report indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and

2. The Director and the Company consent to this Stipulation and Consent Order requiring the Company to take certain actions to be in compliance with provisions of the Illinois Insurance Code and Department Regulations.

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

1. Operate with policies and procedures whereby the Company shall notify the party filing the appeal of all the information required to evaluate the appeal within three (3) business days and shall orally notify the party filing the appeal, the enrollee, the enrollee's primary care physician, and any health care provider who recommended the health care service_involved in the appeal of its decision as required by 215 ILCS 134/45(c).

2. Operate with policies and procedures that ensure treatment limitations applicable to mental, emotional, nervous, or substance use disorder or condition benefits are no more restrictive than the predominant treatment limitations applied to substantially all hospital and medical benefits covered by the policy per 215 ILCS 5/370c.1(a)(2).

3. Operate with policies and procedures whereby the Company shall utilize patient placement criteria established by the American Society of Addiction Medicine when making medical necessity determinations for substance use disorders as required by 215 ILCS 5/370c(b)(3).

4. Operate with policies and procedure whereby the Company shall utilize the adjusted maximum benefit for Autism spectrum disorders per 215 ILCS 5/356z.14(b).

5. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above four (4) orders within 60 days of execution of this Order.

6. Pay to the Director of Insurance, State of Illinois, a required contribution in the amount of $550,000 to the Parity Advancement Fund created under 215 ILCS 5/370c.1(i), within 20 days of execution of this Order.

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 the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of UnitedHealthcare Insurance Company of Illinois, UnitedHealthcare of Illinois, Inc., and UnitedHealthcare Insurance Company of the River Valley.

David K Hill
Signature

David K Hill
Name

Deputy General Counsel
Title

Subscribed and sworn to before me this
10 day of July 2020.

Suzanne DeRosa
Notary Public

SUZANNE DEROSA
Official Seal
Notary Public - State of Illinois
My Commission Expires Aug 6, 2023

DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE July 10, 2020

Robert H. Muriel
Director