

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-17-0023

UNITEDHEALTHCARE INSURANCE
COMPANY,

Respondent.

ORDER TO CEASE AND DESIST,
FINAL ORDER IMPOSING CIVIL
PENALTY AND CONSENT TO
ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), has conducted an investigation into the insurance related activities of UnitedHealthcare Insurance Company (“Respondent”).

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is licensed in the State of Oregon as a foreign insurer, has been so licensed since November 1, 1972, and provides health insurance coverage in Oregon.
2. Respondent’s NAIC entity number is 79413.
3. Between January 1, 2011 and September 6, 2013, Respondent incorrectly denied 22 claims for speech therapy (“Speech Therapy Claim Denials”) from members that had been diagnosed with pervasive developmental disorder.
4. On November 12, 2013, Respondent explained to the Oregon Insurance Division, now the Division of Financial Regulation (“Division”), that the Speech Therapy

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1 Claim Denials were the result of Respondent’s “staff’s misinterpretation of the Autism
2 Mandate’s Pervasive Developmental Disorder benefit and payment instructions and
3 policy and procedure.”

4 **CONCLUSIONS OF LAW**

5 The Director CONCLUDES that:

6 5. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that
7 any person has been engaged or is engaging or is about to engage in any violation of the
8 Insurance Code, the Director may issue an order to discontinue or desist from such
9 violation or threatened violation.

10 6. Pursuant to ORS 743A.190(1) a health benefit plan, as defined in ORS
11 743B.005, must cover for a child enrolled in the plan who is under 18 years of age and
12 who has been diagnosed with a pervasive developmental disorder all medical services,
13 including rehabilitation services, that are medically necessary and are otherwise covered
14 under the plan.

15 7. “Rehabilitation services” means physical therapy, occupational therapy or
16 speech therapy services as defined in ORS 743A.190(3)(c).

17 8. Respondent violated ORS 743A.190(1) on 22 occasions by incorrectly
18 denying claims for speech therapy for members diagnosed with pervasive developmental
19 disorder.

20 9. Pursuant to ORS 731.988(1), the Director may assess CIVIL PENALTIES in
21 an amount not to exceed \$10,000 per violation against a person who violates any
22 provision of the Insurance Code or any lawful rule of the Director.

23 **ORDERS**

24 The Director issues the following ORDERS:

25 10. As authorized by ORS 731.252(1), the Director ORDERS Respondents to
26 CEASE AND DESIST from violating any provision of the Insurance Code or the

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1 administrative rules promulgated thereunder.

2 11. Based upon the foregoing and as authorized by ORS 731.988(1), the Director
3 ORDERS that Respondent pay a CIVIL PENALTY of \$2,000 per occurrence for 22
4 violations of ORS 743A.190(1) for a total CIVIL PENALTY of \$44,000.

5 12. The \$44,000 CIVIL PENALTY assessed above is due and payable at the time
6 this Consent Order is returned to the Division.

7
8 SO ORDERED this 27th day of April, 2017.

9 PATRICK M. ALLEN, Director
10 Department of Consumer and Business Services

11 /s/ David Tatman
12 David C. Tatman, Chief of Enforcement
13 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Joy O.C. Higa, state that I am an officer of UnitedHealthcare Insurance Company and I am authorized to act on its behalf. I have read the foregoing Consent Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. UnitedHealthcare Insurance Company voluntarily and without any force or duress consents to the entry of this Consent Order expressly waiving any right to a hearing in this matter. UnitedHealthcare Insurance Company understands that the Director reserves the right to take further actions to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Insurance Code. UnitedHealthcare Insurance Company will fully comply with the terms and conditions stated herein.

UnitedHealthcare Insurance Company understands that this Consent Order is a public document.

/s/ Joy O.C. Higa
Signature

Joy O.C. Higa
Printed name

Secretary
Office held

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ACKNOWLEDGMENT

There appeared before me this 29th day of March,
2017, Joy O.C. Higa, who was first duly sworn on oath, and
stated that she/he was and is an officer of UnitedHealthcare Insurance Company and that
she/he is authorized and empowered to sign this Consent to Entry of Order on behalf of
UnitedHealthcare Insurance Company and to bind UnitedHealthcare Insurance
Company to the terms hereof.

/s/ Lisa M. Duquette
Signature of Notary Public

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