

STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

United Behavioral Health

August 11, 2015

From April 16, 2015 through August 11, 2015 the Market Conduct Division of the Connecticut Insurance Department examined the utilization review practices of United Behavioral Health (the Company), using a sample period of January 1, 2013 through December 31, 2013. The examination was limited to Connecticut enrollees.

United Behavioral Health has its home office in the State of California and is licensed as a utilization review entity in the State of Connecticut under license number 200000880. By authority granted under §38a-591 of the Connecticut General Statutes, this examination was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department's offices in Hartford, Connecticut.

The purpose of the examination was to evaluate the Company's utilization review practices in the State of Connecticut. From a listing of utilization reviews performed by the Company, the examiners reviewed two hundred four (204) sample files, which included complaints and approved, denied and appeal certifications during the examination period.

The Department's findings are as follows:

- The examiners verified that one (1) appeal determination was not made within the required 60 days of the receipt of the request for review, upon the receipt of all information reasonably required to make retrospective appeal determinations.
- The examiners verified that one (1) appeal determination failed to provide Connecticut external appeal language.
- The examiners verified that six (6) determinations not to certify care failed to provide Connecticut external appeal language.
- The examiners verified that forty-one (41) appeal determinations failed to provide proper Connecticut external appeal language.
- The examiners verified that thirty-eight (38) determinations not to certify care failed to provide proper Connecticut external appeal language.
- The examiners verified that two (2) appeal determinations were not reviewed by an appropriate clinical peer for the service requested.

- Failure to take corrective action to provide proper Connecticut external appeal language in appeal determinations as stipulated in Docket MC 12-47 and as indicated by the Respondent in the corrective action plan provided on July 18, 2012.

It is recommended that the Company review its policies and procedures to ensure that retrospective appeal determinations are made within the 60 day requirement, proper external appeal language is provided in appeal determinations and determinations not to certify care, appeal determinations are reviewed by an appropriate clinical peer, and to adhere to prior corrective action reports, as required by statute.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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IN THE MATTER OF :
United Behavioral Health :
-----X

DOCKET MC 15-107

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between United Behavioral Health and the State of Connecticut Insurance Department by and through Katharine L. Wade, Insurance Commissioner ("Commissioner") to wit:

I

WHEREAS, pursuant to a market conduct examination, the Commissioner alleges the following with respect to United Behavioral Health

1. United Behavioral Health, hereinafter referred to as Respondent, is domiciled in the State of California and is licensed to transact the business of a utilization review entity in the State of Connecticut under license number 200000880.
2. From April 16, 2015 through August 11, 2015, the Department conducted an examination of Respondent's utilization review practices in the State of Connecticut covering the period from January 1, 2013 through December 31, 2013.
3. During the period under examination, Respondent failed to establish practices and procedures to ensure compliance in all instances with statutory requirements for:
 - a. notification of a determination not to certify care, admission or procedure within 60 days of the receipt of the request for review, upon the receipt of all information reasonably required to make retrospective appeal determinations.
 - b. providing proper Connecticut external appeal language.
 - c. providing an appropriate clinical peer to review an appeal request.
 - d. failure to take corrective action to provide proper Connecticut external appeal language in appeal determinations as stipulated in Docket MC 12-47 and as indicated by the Respondent in the corrective action plan provided on July 18, 2012.
4. The conduct as described above violates §38a-591b of the Connecticut General Statutes; and §38a-591-8 of the Regulations of Connecticut State Agencies; and

constitutes cause for the imposition of a fine or other administrative penalty under §38a-591k of the Connecticut General Statutes.

II

1. WHEREAS, Respondent admits to the allegations contained in paragraphs three and four of Article I of this Stipulation; and
2. WHEREAS, Respondent agrees to review its utilization review practices and procedures identified as concerns during the market conduct examination, as described in the Examination of Utilization Review Practices Report and this Stipulation, into immediate compliance with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Commissioner with a full report of finding and a summary of actions taken to comply with the requirements of paragraph two of this section within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent, being desirous of terminating this proceeding without the necessity of a formal proceeding or further litigation, does consent to the making of this Final Order and voluntarily waives:
 - a. any right to a hearing; and
 - b. any requirement that the Commissioner's decision contain a statement of findings of fact and conclusion of law; and
 - c. any and all rights to object to or challenge before the Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation
5. WHEREAS, Respondent agrees to pay a fine in the amount of \$8,500.00 for the violations described herein.

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Eight Thousand Five Hundred Dollars (\$8,500.00) in settlement of the alleged violations herein above described.

UNITED BEHAVIORAL HEALTH

BY: 

(Representative of Utilization Review Entity)

CERTIFICATION

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Order on this 8th day of October 2015 for and on behalf of United Behavioral Health that he/she is the Asst. Secretary & Counsel of such company, and he/she has authority to execute and file such instrument.

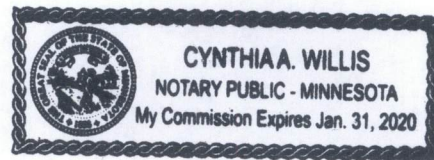
BY: [Signature]

State of

County of

Personally appeared on this 8 day of October 2015,
Adam R. Easterday signer and sealer of the foregoing Stipulation and Consent Order, acknowledged same to be his/her free act and deed before me.

[Signature]
Notary Public/Commissioner of the Superior Court



Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 23 day of October 2015.

[Signature]
Katharine L. Wade
Insurance Commissioner