

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the )  
Commissioner of Banking )  
And Insurance to Fine )  
Oxford Health Insurance, )  
Inc., Oxford Health Plans )  
(NJ) Inc. and )  
UnitedHealthcare Insurance )  
Company )

**CONSENT  
ORDER**

TO: Oxford Health Insurance, Inc.  
4 Research Drive, 5<sup>th</sup> floor  
Shelton, CT 06484

Oxford Health Plans (NJ) Inc.  
4 Research Drive, 5<sup>th</sup> floor  
Shelton, CT 06484

UnitedHealthcare Insurance Company  
185 Asylum Street  
Hartford, CT 06103

This matter having been opened by the Commissioner of the Department of Banking and Insurance ("DOBI"), State of New Jersey, upon information that Oxford Health Insurance, Inc., Oxford Health Plans (NJ) Inc. and UnitedHealthcare Insurance Company (collectively "UHC"), may have violated provisions of the laws of the State of New Jersey; and

WHEREAS, Oxford Health Insurance, Inc. is a foreign insurance company authorized to transact business in New Jersey pursuant to N.J.S.A. 17B:23-1 et seq. since October 4, 1994; and

WHEREAS, Oxford Health Plans (NJ) Inc. is a health maintenance organization ("HMO") authorized to transact business in New Jersey pursuant to N.J.S.A. 26:2J-3 since October 1, 1985; and

WHEREAS, UnitedHealthcare Insurance Company is a foreign insurance company admitted to transact business in New Jersey pursuant to N.J.S.A. 17B:23-1 et seq. since August 31, 1982; and

WHEREAS, N.J.A.C. 11:22-5.8(b) requires that a HMO and an insurance company limit a member's liability for all services rendered during a hospitalization in a network hospital to the copayment, deductible and/or coinsurance applicable to network services; and

WHEREAS, N.J.A.C. 11:24-5.3(b) requires HMOs to limit a member's liability for emergency care rendered by out-of-network providers to the copayment, deductible and/or coinsurance applicable to network services; and

WHEREAS, N.J.A.C. 11:24-5.1(a)1 provides that if a HMO refers a member to an out-of-network provider ("in plan exception"), the HMO is fully responsible for the payment to the out-of-network provider and the member's liability is limited to

the copayment, deductible and/or coinsurance applicable to network services; and

WHEREAS, N.J.A.C. 11:24-9.1(a) states that an HMO shall establish and implement written policies and procedures regarding the rights of members and the implementation of such rights; and

WHEREAS, N.J.A.C. 11:24-9.1(b) 1 states that an HMO shall provide each member with a member handbook that includes a complete statement of the member's rights; and

WHEREAS, N.J.A.C. 11:24-9.1(d)9 provides that the statement of HMO member rights shall include the right to be free from balance billing by providers for medically necessary services that were authorized or covered by the HMO except as permitted for copayment, coinsurance and deductibles by contract; and

WHEREAS, N.J.A.C. 11:4-37.3(b)2 provides that health benefit plans shall provide that the cost sharing (i.e. deductible, coinsurance and/or copayment) for emergency care be the same regardless of whether the services were rendered by network or out-of-network providers; and

WHEREAS, DOBI acknowledges that the regulations cited above address member liability and do not set the amount that insurers and HMOs must pay or that out-of-network providers may bill for emergency services, for services rendered during a

hospitalization in a network hospital or where UHC grants an in-plan exception,

WHEREAS, in 2015 UHC implemented a program (the "Program") that it asserts would provide fair and reasonable reimbursement of the costs associated with services rendered by out-of-network providers in emergency situations, where the services were rendered during a hospitalization in a network hospital and where UHC grants an in-plan exception; and

WHEREAS, UHC represents that the Program is designed to insure that covered persons pay only the copayment, deductible and/or coinsurance applicable to network services and are not responsible for the difference between the out-of-network provider's billed charge and the amount paid by UHC, except for network cost sharing, and provides that the company would intervene on the member's behalf in any collection activity by such out-of-network providers; and

WHEREAS, DOBI has received consumer complaints against UHC regarding balance billing and other collection activity by out-of-network providers, including filing of lawsuits, since implementation of the Program; and

WHEREAS, the Program has been modified since the filing of such complaints to address the content of such complaints; and

WHEREAS, DOBI recognizes that UHC will continue the Program, as modified; and

WHEREAS, Oxford Health Insurance, Inc. issued some Summary of Benefit and Coverage forms ("SBCs") for calendar years 2015 and 2016 which incorrectly showed the network cost sharing amounts for outpatient surgery, facility fees and outpatient surgery, and physician/surgeon fees; and

WHEREAS, 287 small groups with 2,852 members were issued the incorrect SBCs in 2015, 154 small groups with 3,234 members were issued the incorrect SBCs in 2016, and 1 large group with 14 members electing a specific product option was issued the incorrect SBC in 2016;

WHEREAS, Oxford Health Insurance, Inc. is reprocessing claims affected by the SBC error and correcting and reissuing the 2016 SBCs affected by the error; and

WHEREAS, SBCs are not part of the Certificate of Coverage; covered services were accurately described in and administered in accordance with the Certificate of Coverage; and UHC did not intentionally misrepresent the services described in the SBCs; and

WHEREAS, UHC does not agree with the Department's findings but desires to settle the matters raised without resort to formal hearing; and

WHEREAS, UHC hereby waives its right to a hearing in this matter and consents to the entry of this order memorializing this settlement; and

NOW, THEREFORE, IT IS on the 21<sup>st</sup> day of SEPTEMBER, 2016

ORDERED AND AGREED that UHC shall pay a fine in the amount of three hundred thousand dollars (\$300,000.00) to DOBI; and

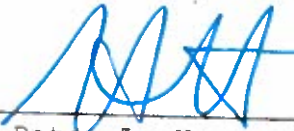
IT IS FURTHER ORDERED AND AGREED that said fine shall be paid by certified check, cashier's check or wire transfer payable to "State of New Jersey - General Treasury" upon the execution of this Consent Order by UHC; and

IT IS FURTHER ORDERED AND AGREED that UHC shall provide DOBI with a report, in a format determined by DOBI, of the claims reprocessed due to the SBC error within 30 days of the completion of the reprocessing; and

IT IS FURTHER ORDERED AND AGREED that UHC shall cease and desist from engaging in the conduct that gave rise to this Consent Order, shall continue its efforts to limit member liability to the copayment, deductible and/or coinsurance applicable to network services when applying the Program, and shall hereafter comply in all respects with New Jersey insurance statutes and regulations; and

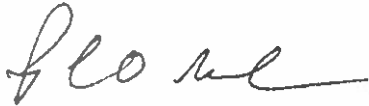
IT IS FURTHER ORDERED AND AGREED that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of only the violations specified

herein.

  
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Peter L. Hartt  
Director of Insurance

**Consented to as to Form, Content,  
and Entry:**

Oxford Health Insurance, Inc.  
Oxford Health Plans (NJ) Inc.  
UnitedHealthcare Insurance Company



By: \_\_\_\_\_  
Name