

No. 2018-5695

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: NOV 05 2018

Subject Considered:

UNITEDHEALTHCARE OF TEXAS, INC.
9700 Health Care Ln
MN017-E900
Minnetonka, Minnesota 55343

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 16041

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against UnitedHealthcare of Texas, Inc. (UHC).

WAIVER

UHC acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. UHC waives all of these rights and any other applicable procedural rights in consideration of the entry of this consent order.

FINDINGS OF FACT

1. The Texas Department of Insurance (TDI) issued UHC basic service health maintenance organization (HMO) license number 5925, effective August 30, 1985.

2015 Triennial Examination

2. TDI conducted a triennial quality of care examination of UHC for the period beginning February 11, 2013, and ending December 31, 2015.
3. On November 4, 2017, TDI held an exit conference call with UHC to discuss the 2015 examination findings.

Examination Findings

4. UHC's complaint resolution letters failed to include a complete description of its complaint procedures as required. This was similar to issues TDI previously identified in a 2013 examination of UHC.
5. UHC is not a certified utilization review agent and issued its own adverse determination letters rather than having its delegate, OptumRX, a licensed utilization review agent, issue them as required. UHC issued 295 adverse determination letters during the scope of the examination. The adverse determination letters identify OptumRX as the licensed utilization review agent, but are sent from UHC and on UHC letterhead.
6. UHC submitted a plan of correction to address the deficiencies cited in the final examination report issued by TDI on March 9, 2018.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002; 82.051-82.055, 84.021-84.022, 401.055, 843.254-843.259; 28 TEX. ADMIN. CODE § 19.1704; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to informally dispose of this matter as set forth under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. UHC has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. UHC violated TEX. INS. CODE §§ 843.254-843.259 because it failed to include a complete description of its complaint procedures as required.
5. UHC violated TEX. INS. CODE § 4201.101 and 28 TEX. ADMIN. CODE § 19.1704 because it is not a certified utilization review agent and issued its own adverse determination letters rather than having its delegate, OptumRX, a licensed utilization review agent, issue them as required.

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COMMISSIONER'S ORDER
UnitedHealthcare of Texas, Inc.
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It is ordered that UnitedHealthcare of Texas, Inc. pay an administrative penalty of \$175,000 within 30 days from the date of this order. The administrative penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Kent C. Sullivan
Commissioner of Insurance

Approved as to Form and Content:



Bev Rosendahl
Staff Attorney, Enforcement Section
Texas Department of Insurance

AFFIDAVIT

STATE OF Texas §

COUNTY OF Harris §

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

“My name is David Milich. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of UHC Chief Executive Officer – Texas/Oklahoma, and am the authorized representative of UnitedHealthcare of Texas, Inc. and I am duly authorized by said organization to execute this statement.

UnitedHealthcare of Texas, Inc. waives rights provided by the Texas Insurance Code and other applicable laws, and acknowledges the jurisdiction of the Texas commissioner of insurance.

UnitedHealthcare of Texas, Inc. is voluntarily entering into this consent order. UnitedHealthcare of Texas, Inc. consents to the issuance and service of this consent order.”

David Milich

Affiant

SWORN TO AND SUBSCRIBED before me on September 14, 2018.

(NOTARY SEAL)

Brenda Scurlock

Signature of Notary Public

