

**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

In the Matter of the Certificates of Authority of
UnitedHealthcare Insurance Company, NAIC No. 79413, and
PreferredOne Insurance Company, NAIC No. 11817

CONSENT ORDER

TO: UnitedHealthcare Insurance Company
185 Asylum Street
Hartford, CT 06103

PreferredOne Insurance Company
9700 Healthcare Lane
Minnetonka, MN 55343

Commissioner of Commerce Grace Arnold (Commissioner) has determined as follows:

1. The Commissioner has advised UnitedHealthcare Insurance Company and its subsidiaries and affiliates and PreferredOne Insurance Company and its subsidiaries and affiliates (collectively, UHC) that she is prepared to commence formal action, pursuant to Minn. Stat. §§ 45.027 and 60A.031 (2022) and other applicable law, against UHC's certificates of authority to engage in the business of insurance in Minnesota based on allegations made following an examination, No. 4482, by the Minnesota Department of Commerce (Department). Specifically, the Department alleges UHC:

A. Did not demonstrate comparability in reimbursement rates between medical/surgical (M/S) providers and mental health and substance abuse disorder (MH/SUD) providers for certain identified Current Procedural Terminology (CPT) billing codes, in violation of Minn. Stat. § 62Q.47(d) and (e) (2022).

B. Did not maintain accurate and complete provider directories, in violation of Minn. Stat. §§ 62K.075 and 72A.20, subd. 2 (2022).

C. Engaged in utilization review practices and procedures that violated Minn. Stat. §§ 62M.05, 62M.09, and 62Q.47(d) and (e) (2022) by not:

- i. Documenting the number of requested and denied days or units,
- ii. Properly documenting utilization review-related data, and

iii. Advising insureds and enrollees of their appeal rights for denied days or units.

D. Did not timely post and posted inaccurate MH/SUD prior authorization statistics on its public website, in violation on Minn. Stat. §§ 62M.18 and 72A.20, subd. 2 (2022).

E. Applied formulary design restrictions more stringently for certain MH/SUD prescription drugs than for M/S prescription drugs, in violation of Minn. Stat. § 62Q.47(d) and (e) (2022).

F. Submitted comparative analyses lacking sufficient information for the Department to determine whether the analyses met the requirements of Minn. Stat. § 62Q.47(d), (e), and (f) (2022). *See also* 42 U.S.C. § 300gg-26(a)(8)(A).

G. Did not provide adequate explanations of benefits to insureds and enrollees, in violation of Minn. Stat §§ 72A.20, subd. 12(14) and 72A.201, subd. 5(6) (2022).

2. UHC neither admits to nor denies the allegations.

3. UHC acknowledges that it has been advised of the right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. UHC hereby expressly waives those rights. UHC further acknowledges that it has been represented by legal counsel throughout these proceedings.

4. UHC agrees to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2022) and Minn. R. 1400.5900 (2023).

5. For purposes of Minn. Stat. § 16D.17 (2022), UHC expressly waives the right to any notice or opportunity for a hearing on any civil penalty imposed by the Commissioner. Further, Minn. Stat. § 16D.17 (2022) allows the Commissioner to file and enforce the civil penalty imposed by this Order as a judgment against UHC in district court without further notice or additional proceedings.

6. The civil penalty and/or any resulting judgment arising from this Order will be non-dischargeable in any bankruptcy proceeding. See 11 U.S.C. 523 (a)(7) (“A discharge under section 727, 1141, 1228(a), 1228(b) or 1328(b) of this title does not discharge an individual debtor from any debt . . . to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and is not compensation for actual pecuniary loss, other than a tax penalty”).

7. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. Chs. 45 and 60A (2022), that:

A. UHC shall comply with the concurrently executed corrective action plan (CAP). The CAP establishes policies, procedures, and remedies that address the issues identified in this Consent Order. The Commissioner and UHC agree that the Commissioner will monitor UHC until March 31, 2025, or until the CAP is completed, whichever is later. The CAP is an examination workpaper and confidential under Minn. Stat. § 60A.031, subd. 4(f) (2022).

B. UHC shall comply with the licensure and staff criteria and other requirements of Minn. Stat. § 62M.09 (2022).

C. UHC shall pay a civil penalty in the amount of \$450,000, with \$150,000 stayed on the condition that the corrective action plan (“CAP”) items are completed. Once the CAP items are completed, the stay will become permanent, and the stayed amount vacated. UHC shall pay the initial \$300,000 civil penalty to the State of Minnesota within 30 days of the Consent Order being signed by both parties, with the stayed amount being considered thereafter.

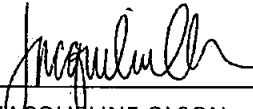
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This Consent Order shall be effective upon signature by or on behalf of the Commissioner.

Date: May 2, 2024

GRACE ARNOLD
Commissioner

By:



JACQUELINE OLSON
Assistant Commissioner of Enforcement
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

CONSENT TO ENTRY OF ORDER

The undersigned individuals, acting on behalf of UnitedHealthcare Insurance Company and PreferredOne Insurance Company (collectively, UHC), state that they have read the foregoing Consent Order; that they know and fully understand its contents and effect; that UHC has been advised of its right to a hearing in this matter and expressly waives that right; that UHC has been represented by legal counsel in this matter; and that UHC consents to entry of this Order by the Commissioner. It is further understood that this Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

UnitedHealthcare Insurance Company

By:

[Signature]

Its:

Asst. Secretary

STATE OF Minnesota

COUNTY OF Hennepin

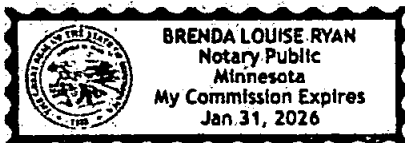
Signed or attested before me on April 23, 2024 (date)

Brenda O'Leary
(Signature of notary officer)

Six Admin Assistant/Notary

Title (and Rank)
My Commission expires: 1/31/2026

(stamp)



PreferredOne Insurance Company

By:

E. [Signature]

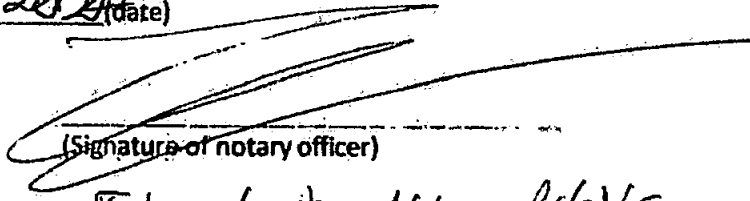
Its:

ASSISTANT SECRETARY

STATE OF MN

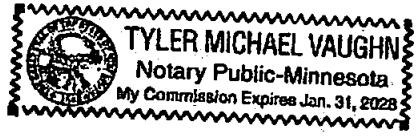
COUNTY OF Ramsey

Signed or attested before me on 4/17/2024 (date)



(Signature of notary officer)

(stamp)



Tyler Vaughn Notary Public
Title (and Rank)
My Commission expires: 1-31-2028