

2001 TARGET MARKET CONDUCT EXAMINATION

OF

UNITED HEALTHCARE OF FLORIDA

BY

THE FLORIDA DEPARTMENT OF INSURANCE

BUREAU OF MANAGED CARE

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I. OVERVIEW AND SUMMARY OF FINDINGS

General

United Healthcare of Florida, Inc., (Company), is a health maintenance organization domiciled in the State of Florida, and licensed to conduct business in this State during the period (scope) of this examination.

The Florida Department of Insurance (Department) performed a Target Market Conduct Examination of the Company pursuant to Section 641.27, Florida Statutes, at the Company's office in Orlando, Florida, from October 2, 2001, to January 18, 2002.

The purpose of the examination was to evaluate the Company's consumer complaints and grievances relating to issues other than the prompt payment of claims including one life group underwriting procedures, provider contract requirements and coordination of benefit claims comport with Florida Statutes and the Florida Administrative Code. The examination of one life group underwriting procedures as applied to the December 2000, and August 2001, previous open enrollment periods was removed from this examination and set up as an investigation. The results of the investigation will be reported outside of this examination report. The Examiner's preliminary findings reflected that over 50% of the applicants were not accepted in the December 2000 and August 2001 open enrollment periods.

The examination scope period covered complaints dated and claims received from December 1, 2000, to September 1, 2001.

Findings

Since the Department was conducting a separate investigation of the prompt payment of claims, complaint samples were selected involving issues other than the timely payment of claims. Any failure to pay claims promptly will be addressed in the separate investigation. No adverse trade practices or material exceptions, other than noted in the one life group underwriting procedures, were found in the review of managed care and consumer complaints.

The examination found the Company's provider contracts and provider manuals to be substantially in compliance with Section 641.315, Florida Statutes.

The examination found the Company's COB policy and procedure manuals to be substantially in compliance with Sections 627.4235, 641.31(7), 641.3155(2), 641.3901, and 641.3903(5)(c) 1 and 4, Florida Statutes.

II. PROVIDER CONTRACTS/MANUALS

Provider contracts and manuals were reviewed for compliance by the examiner and were found to have no material exceptions.

III. MARKET CONDUCT COMPLAINTS

Seven (7) Managed Care investigation complaints were examined. No adverse trade practices or material exceptions were found.

IV. CONSUMER SERVICE COMPLAINTS

A sample of sixty-seven (67) closed consumer complaints were examined.

No adverse trade practices or material exceptions were found.

V. COB PROCEDURE MANUAL REVIEW

The policy and procedure manuals relating to the processing of COB claims was examined.

No adverse trade practices or material exceptions were found.

VI. FINDINGS/CORRECTIVE ACTIONS

Provider Contracts/Manuals

The provider contracts and manuals were found to have no material exceptions.

Corrective Action

No corrective action required.

Market Conduct Complaints

Seven (7) managed care complaints were examined. No adverse trade practices or material exceptions were found.

Corrective Action

No corrective action required.

Consumer Service Complaints

Sixty-seven (67) closed consumer complaints were examined. No adverse trade practices or material exceptions were found.

Corrective Action

No corrective action required.

COB Procedure Manual

A review of the claim procedures found the Company to have no adverse traded practices or material exceptions.

Corrective Action

No corrective action required.