

**FLORIDA DEPARTMENT  
OF  
INSURANCE**

**TARGET MARKET CONDUCT REPORT**

OF

HUMANA MEDICAL PLAN, INC.

AS OF

**November 1, 2001**

**DIVISION OF INSURER SERVICES  
BUREAU OF MARKET CONDUCT**

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## **I. OVERVIEW AND SUMMARY OF FINDINGS**

### **General**

Humana Medical Plan, Inc., (Company), is a health maintenance organization domiciled in the State of Florida, and licensed to conduct business in this State during the 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 Miramar, Florida, from January 2, 2002, to March 2, 2002.

The purpose of this examination was to determine if the Company's practices and procedures relating to one-life group underwriting, small group reinstatements, complaints and grievances, provider contracts and related procedure manuals, comport with Florida Statutes and the Florida Administrative Code.

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

### **Findings**

The examination was initiated because of consumer complaints filed against the Company. Consumer complaints involving the timely payment of claims were not included in the examination as the Department was conducting a separate investigation of prompt claim payments. The examination did not identify any adverse business practices in the complaints and grievances reviewed.

The examination found the Company's one-life group underwriting guidelines to be substantially in compliance with governing statutes. The Company reported it did not retain denied applications following either the December, 2000 or the August, 2001 one-life group open enrollments. In addition, the Company reported that small group reinstatement denials are not tracked.

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

## **II. COMPLAINTS REVIEW**

One hundred (100) consumer complaints were reviewed.

Twenty seven (27) of the consumer complaints were Medicare/Medicaid which were outside of the scope of this examination.

Fifty-four (54) of the consumer complaints were determined to be without violations.

The Company's position was upheld on sixteen (16) of the consumer complaint files.

In the remaining three (3) files, there were no adverse business practices found.

**III. MANAGED CARE INVESTIGATIONS REVIEW**

Three (3) complaints received by the Bureau of Managed Care Investigations Unit were reviewed.

No adverse business practices were found

#### **IV. GRIEVANCES REVIEW**

Seventy-five (75) provider or subscriber grievances received by the Company were reviewed.

The Company's position was upheld on fourteen (14) of the provider or subscriber grievances.

The remaining grievances covered a variety of issues related to providers, miscellaneous claim reimbursements and authorizations.

No adverse business practices were found.

**V. ONE-LIFE GROUP UNDERWRITING AND REINSTATEMENT REVIEW**

The Company provided reports showing seventy two (72) applications were accepted during the December, 2000 open enrollment period, and (73) applications were accepted during the August, 2001 open enrollment period.

The Company reported that denied applications were not retained following either the December, 2000 or the August, 2001 one-life group open enrollments.

**VI. PROVIDER CONTRACTS/MANUALS REVIEW**

Provider contracts and manuals were reviewed for compliance by the examiner and were found to be substantially in compliance.

## **VII. FINDINGS/CORRECTIVE ACTIONS**

### **Complaints Review**

One hundred (100) consumer complaints were reviewed. No adverse business practices were found.

### **Corrective Action**

No corrective action required.

### **Managed Care Investigations**

Three (3) managed care investigations were reviewed. No adverse business practices were found.

### **Corrective Action**

No corrective action required.

### **Grievances Review**

(75) provider or subscriber grievances received by the Company were reviewed. No adverse business practices were found.

### **Corrective Action**

No corrective action required.

### **One-Life Group Underwriting and Reinstatement Review**

Denied applications were not retained following either the December, 2000 or the August, 2001 one-life group open enrollments.

### **Corrective Action**

Prospectively, these denied applications, or copies thereof, should be retained to allow the Department to examine the Company's business practices in this area.

### **Provider Contracts/Manuals**

Provider contracts and manuals were found to have no material exceptions.

### **Corrective Action**

No corrective action required.