

**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.