No. 2018- 5826

OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: DECEMBER 8, 2018

Subject Considered:

UNITED BEHAVIORAL HEALTH
11000 Optum Circle
Eden Prairie, Minnesota 55344

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 16042

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against United Behavioral Health (UBH).

WAIVER

UBH acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. UBH 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 UBH utilization review agent (URA) certificate no. 1750681, effective September 30, 1994. UBH also holds third party administrator license no. 94522, effective October 16, 1995.

2. On February 2, 2018, TDI’s Managed Care Quality Assurance Office (MCQA) selected UBH for a template letter audit related to its 2017 adverse determinations.

3. During the template audit, MCQA learned that in 2017, UBH:
   a. issued adverse determinations to enrollees based upon outdated criteria in 5 of 30 cases MCQA audited (16.66%); and
   b. potentially confused enrollees by providing them with more than one states’ procedures for appealing an adverse determination in 11 of 30 audited cases (36.66%).
CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.056, 84.021-84.022, 4201.001, 4201.002, 4201.153, 4201.303, 4201.353, and 4201.603; 28 TEX. ADMIN. CODE §§ 19.1705 and 19.1711; 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 §§ 36.104 and 82.055 and; and 28 TEX. ADMIN. CODE § 1.47.

3. UBH 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. UBH violated TEX. INS. CODE § 4201.153(a) and 28 TEX. ADMIN. CODE § 19.1705(a) because it failed to use written medically acceptable screening criteria and review procedures that are established and periodically updated with appropriate involvement from physicians, including practicing physicians, dentists, and other health care providers.

5. UBH violated TEX. INS. CODE § 4201.153(b) because it failed to make utilization review determinations in accordance with currently accepted medical or health care practices, taking into account special circumstances of the case that may require deviation from the norm stated in the screening criteria.

6. UBH violated 28 TEX. ADMIN. CODE § 19.1705(c) because it failed to use written screening criteria that are evidence-based, scientifically valid, outcome-focused, and that comply with the requirements in Insurance Code § 4201.153.

7. UBH violated TEX. INS. CODE § 4201.353 and 28 TEX. ADMIN. CODE § 19.1711(a) because it failed to provide enrollees with reasonable procedures for appealing adverse determinations when it sent enrollees more than one state’s appeal procedures.

It is ordered that United Behavioral Health pay an administrative penalty of $25,000 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, Legal and Enforcement Division 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.

Kent C. Sullivan
Commissioner of Insurance
COMMISSIONER'S ORDER
United Behavioral Health
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APPROVED AS TO FORM AND CONTENT:

[Signature]
Jeannie Ricketts
Staff Attorney, Enforcement Section
Texas Department of Insurance
AFFIDAVIT

STATE OF Minnesota §
COUNTY OF Hennepin §

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

“My name is Mark J. Flake. 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 Chief Financial Officer, and am the authorized representative of United Behavioral Health. I am duly authorized by said organization to execute this statement.

United Behavioral Health waives rights provided by the Texas Insurance Code and other applicable laws, and acknowledges the jurisdiction of the Texas commissioner of insurance.

United Behavioral Health is voluntarily entering into this consent order. United Behavioral Health consents to the issuance and service of this consent order.”

Affiant

SWORN TO AND SUBSCRIBED before me on October 5, 2018.

(NOTARY SEAL)

Signature of Notary Public