

STATE OF OHIO

DEPARTMENT OF INSURANCE

IN THE MATTER OF:)
)
UNITED HEALTHCARE OF OHIO, INC.)
(NAIC NO. 95186))
UNITED HEALTHCARE INSURANCE)
COMPANY (NAIC NO. 79413))
UNITED HEALTHCARE INSURANCE)
COMPANY OF OHIO (NAIC NO. 73518))

CONSENT ORDER

The Superintendent of the Ohio Department of Insurance (hereinafter the "Superintendent") is responsible for administering Ohio insurance laws pursuant to Ohio Revised Code ("R.C.") Section 3901.011. United HealthCare of Ohio, Inc. ("UHCOI") is an Ohio-domiciled corporation authorized to do the business of a health insuring corporation in the State of Ohio pursuant to Ohio Revised Code Chapter 1751 and, as such, is under the jurisdiction of the Superintendent. United HealthCare Insurance Company ("UHCIC") and United HealthCare Insurance Company of Ohio ("UHCICO") are insurance companies licensed in Ohio pursuant to R.C. Section 3911.01 and, as such, are under the jurisdiction of the Superintendent.

SECTION I

In May of 2008, UHCOI, UHCIC, UHCICO ("the Companies"), and/or another related entity on their behalf, sent letters dated May 19-21, 2008 (the "May letters") to approximately 90,000 subscribers and plan members whose plans utilized the UHCOI provider network, while contract negotiations with OhioHealth were still in progress. The letters informed the recipients that the OhioHealth facility or provider with whom the subscriber or plan member had an existing treatment relationship would no longer be a participant in UHCOI's network as of June 10, 2008. The letters informed the subscriber or plan member that, in order to receive the highest level of benefits, they should choose a new provider in UHCOI's network for care to be received after June 10, 2008. On or around June 9th, 2008, the Companies, or a related entity on their behalf, signed an agreement with OhioHealth the result of which was that the OhioHealth facilities and providers continued to participate in the UHCOI network without interruption. The Superintendent alleges that the May letters were confusing to the recipients, caused unnecessary stress and disruption to the subscribers, members and providers involved, and were misleading in violation of R.C. Sections 1751.20 and 3901.21 ("the Allegations").

SECTION II

IT IS HEREBY AGREED AND CONSENTED TO BY THE PARTIES THAT:

- A) The Superintendent, UHCOI, UHCIC, and UHCICO enter into this Consent Order to resolve the Allegations as set forth in Section I of this Consent Order.
- B) UHCOI, UHCIC, and UHCICO have been advised that, if formal proceedings are commenced, each has a right to a hearing before the Superintendent pursuant to R.C. Chapter 119; that, at a hearing, each would be entitled to appear in person, to be represented by an attorney or other representative who is permitted to practice before the agency; and that at a hearing, each would be entitled to present its position, arguments, or contentions in writing and to present evidence and examine witnesses appearing for and against it. UHCOI, UHCIC, and UHCICO hereby waive all such rights.
- C) UHCOI, UHCIC, and UHCICO consent to the jurisdiction of the Superintendent and the Department to determine the issues set forth herein. UHCOI, UHCIC, and UHCICO waive any prerequisites to jurisdiction that may exist.
- D) UHCOI, UHCIC, and UHCICO hereby waive all rights to challenge or to contest this Consent Order in any forum now available to it or in the future, including the right to any administrative appeal, or an action or appeal filed in state or federal court.
- E) UHCOI, UHCIC, and UHCICO have reviewed this Consent Order with counsel and knowingly and voluntarily enter into this Consent Order.
- F) UHCOI, UHCIC, and UHCICO agree, for the purpose of settling the Allegations and without admitting them, that the failure to adhere to one or more of the terms and conditions of this Consent Order shall constitute a violation of a lawful Order of the Superintendent, an actionable violation in and of itself without further proof, and may subject UHCOI, UHCIC or UHCICO to any and all remedies available to the Superintendent.
- G) By executing the Consent Order in this cause, the parties intend to and do resolve all issues arising out of the allegations set forth in Section I of this Consent Order.
- H) This Consent Order shall be entered into the Journal of the Ohio Department of Insurance. All parties understand and acknowledge that this Consent Order is a public document pursuant to R.C. Section 149.43.
- I) UHCOI, UHCIC, and UHCICO agree that upon the signing of this Consent Order by the authorized representative of each, each shall be subject to the following additional terms and conditions:
 - 1. UHCOI, UHCIC, and UHCICO shall jointly develop and submit a Process Improvement Plan ("Plan") to the Department within sixty (60) days after the last date this Order is

signed, for approval by the Department within thirty (30) days of receipt. The Plan will provide, at minimum, the following for each item in the Plan:

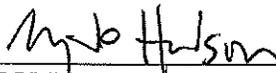
- a. Identification of each improved process to be taken in response to the allegations noted in Section I;
 - b. How each improved process is to be implemented, including, without limitation, what will be done, by whom it will be done, and the date it will be (or was) completed;
 - c. What actions the Companies have taken to assure that actions such as those described in Section I will not recur as well as specific improvements in UHCOI's, UHCIC's, and UHCICO's compliance achievement processes in the areas of self-enforcement activities (to include controls and self-audits) and management's continuous involvement and accountability in same;
 - d. The name of the UHCOI, UHCIC, and UHCICO officer, including his/her title, office location, and telephone number, responsible for assuring that all the process improvement necessary is documented in the Plan, and that each improved process is undertaken and completed in a timely manner and in full compliance with the terms and conditions of this Consent Order and the Plan, as approved by the Superintendent.
2. As part of the Plan, UHCOI, UHCIC, and UHCICO will jointly provide a written description addressing all aspects of development and implementation of internal controls over communications with Ohio health care facilities, providers, and subscribers or members designed to preserve and enhance the integrity of the health insurance market, including the process for determining compliance with applicable state and federal laws, establishing and maintaining clarity of purpose, and encouraging use of plain English.
 3. UHCOI, UHCIC, and UHCICO will, to the extent not already undertaken as outlined below, communicate with all existing Ohio subscribers or members that received the May letters; communications to any subscribers or members who have not already been sent an apology shall describe the provider and health care facility negotiation process that has recently been completed and which was the genesis of the termination letters and explain what happened; at the time of this Consent Order, it has been represented that the Chief Executive Officer of United HealthCare of Ohio has written to United HealthCare members apologizing for the confusion resulting from the provider termination letters they received, and promising that future communications will be clearer and more personal in tone; it has also been represented that a process for evaluating and improving communications with providers and members has been outlined; in addition a message has been aired on television.
 4. UHCOI, UHCIC, and UHCICO will address the Department's concerns by jointly reporting their implementation within 90 days after the Department's acceptance of the Plan, with further reports to be provided at the Superintendent's discretion.

5. The Companies agree that they will adopt a policy aimed at protecting their Ohio subscribers and members from unnecessary stress or disruption in the event a contract with a hospital provider is or may be terminated and that hospital is no longer a part of Companies' network. Specifically, the Companies agree to allow members and subscribers to continue to receive care from their personal physician for a period of time after the termination of the hospital provider contract, even if that physician's sole admitting privileges are with the terminated hospital provider, and to pay for those physician services as though they were provided by a physician in the Companies' network. This will allow any affected physician ample opportunity to seek and obtain admitting privileges at other participating hospital providers, thereby maximizing continuity of care for all of the Companies' Ohio subscribers and members.
6. Each Company agrees that it shall pay in the aggregate with each of the other two companies, a civil penalty of one hundred fifty thousand dollars (\$150,000). The Department reserves the right to impose sanctions based on any new violation. For purposes of this Paragraph, "new violation" shall mean any violation of R.C. Sections 1751.20 or 3901.21 related to improper notification of members of a pending provider termination engaged in by UHCIO, UHCIC, or UHCICO on or after the final date of execution of this Order. All payments shall be made within thirty (30) days of the Company's receipt of an invoice from the Department and will be paid by check or money order made payable to: "Ohio Treasurer Richard Cordray."
7. Each Company agrees that it shall pay in the aggregate with each of the other two companies administrative costs in the amount of one hundred thousand dollars (\$100,000). This payment shall be made within thirty (30) days of the Company's receipt of an invoice from the Department and will be paid by check or money order made payable to: "Ohio Treasurer Richard Cordray."

NOW, THEREFORE, the agreement by and between United HealthCare of Ohio, Inc., United HealthCare Insurance Company, United HealthCare Insurance Company of Ohio and the Superintendent on behalf of the Department, consisting of the terms and conditions set forth above, is approved.

FURTHER, all terms and conditions are hereby **ORDERED**.

APPROVED AND ORDERED this 24th day of July 2008.



MARY JO HUDSON
Superintendent of Insurance

ACKNOWLEDGEMENT AND ACCEPTANCE

By execution hereof, United HealthCare of Ohio, Inc., United HealthCare Insurance Company, and United HealthCare Insurance Company of Ohio consent to entry of this Consent Order, agree without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind United HealthCare of Ohio, Inc., United HealthCare Insurance Company, and United HealthCare Insurance Company of Ohio, respectively, to the terms and conditions of this Consent Order.

UNITED HEALTHCARE OF OHIO, INC.

By: [Signature]
Print or type name: Robert C. Falkenberg
Title: CEO
Date: 7/24/08

UNITED HEALTHCARE INSURANCE COMPANY

By: [Signature]
Print or type name: ALLEN J. SORBO
Title: PRESIDENT
Date: 7/24/08

UNITED HEALTHCARE INSURANCE COMPANY OF OHIO

By: [Signature]
Print or type name: Robert C. Falkenberg
Title: President
Date: 7/24/08