

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
THE REPORT OF EXAMINATION OF
UNITEDHEALTHCARE OF ARKANSAS, INC.**

AID NO. 2010- 055

ADOPTION ORDER

Now on this day the matter of the Report of Examination (“Report”) of UnitedHealthcare of Arkansas, Inc. (“Company”), NAIC #95446, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas (“Commissioner”), as presented by Managing Attorney, Booth Rand, and the Finance Division of the Arkansas Insurance Department (“Department”). From the facts, matters and other things before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. That the Commissioner has jurisdiction over the Company and the subject matter involved herein.
2. That the Company is an Arkansas-domiciled health maintenance organization.
3. That pursuant to Ark. Code Ann. § 23-76-122, the Commissioner authorized and directed the Department to conduct a regular examination of the affairs, transactions, accounts, records, and assets of the Company as of December 31, 2008.
4. That said examination was commenced by the Department on August 10, 2009 and completed on December 10, 2009.
5. That the verified Report of Examination was filed with the Department on February 5, 2010; it was then forwarded to the Company via certified mail on February 8, 2010.

The Company received the Report on February 16, 2010, according to the certified mail return receipt returned to the Department.

6. The Report of Examination contained the following discrepancies:

(A) An examiner indicated in the Report of Examination that the Company's provider credentialing files did not contain the required information outlined in the Company's policies and procedures to ensure timely processing of requests for participation or renewal by providers under Ark. Code Ann. §23-99-411(a)(1). Ark. Code Ann. §23-99-411(a)(1) requires that health care insurers establish mechanisms to ensure timely processing of requests for participation or renewal by providers with the health insurer. After requesting and examining a sample of supplied provider credentialing files from the Company, the examiner was not initially or immediately provided with complete provider profile summaries by the Company which encompassed all provider credentialing criteria, available from the Arkansas State Medical Board's CCVS system ("Centralized Credentials Verification Service"). After completion of the examination, the Company however did provide the examiner with complete provider profile summaries from the CCVS system. Following the examination and during the rebuttal period of this examination, the Department, Company and Arkansas State Medical Board did discuss NAIC Market Regulation Handbook standards which may be interpreted to require the examiner to confirm that the Company maintained primary source documents to confirm or deny that various medical provider credentialing criteria were met, e.g., medical malpractice coverage and educational and professional degrees of the provider. The Department however contacted the Arkansas State Medical Board and has concluded that primary source documentation of medical provider credentialing criteria could not be supplied to the Company pursuant to Ark. Code Ann. § 17-95-107. After discussing and reviewing the verification standards of CCVS with the

Arkansas State Medical Board, the Department is satisfied that the provider credentialing criteria in the CCVS profile summaries is confirmed by primary source documentation in that system or process.

(B) An examiner noted that the Company overstated receivables from parent, subsidiaries and affiliates due to the double entry of a 2007 correction. The Company however has corrected the account balances in the 2009 Quarterly Statement.

(C) An examiner noted that the Company incorrectly calculated the 2008 premium tax credit for Arkansas employees. The Company however has corrected this issue as well.

7. On April 15, 2010, the Company submitted a written rebuttal to the Report of Examination. The Company requested that the Department remove the finding in the Report of Examination, described in Section Six (6) (A) of this Order, related to provider credentialing because the Arkansas State Medical Board had clarified with the Department that medical provider profile summaries were acceptable to be included in a credentialing file as evidence of compliant credentialing law. Although the Department agrees with the Company that it did not have to maintain primary source documentation to confirm provider credentialing criteria, the Department states that the Company did not initially provide the Department with complete provider profile summaries when first requested during the credentialing portion of the examination. The Department however states that Company has since supplied to the Department complete medical provider profile summaries for purposes of this examination.

THEREFORE, pursuant to the provisions of Ark. Code Ann. §§ 23-76-104(2) and 23-61-205, the Commissioner hereby orders:

1. That the Examination Report, as filed with the Department, is hereby adopted.

2. That the Department shall forward a copy of this Order and the adopted Examination Report, as filed, to the Company via certified mail. The mailing to the Company shall include specimen affidavit forms for the Company's Directors to use in acknowledgement of receipt of the adopted Report of Examination and this Order;

3. That within twenty (20) days of receipt of this Order and the adopted Examination Report, the Company shall file with the Department affidavits executed by each one of its Directors, stating under oath or affirmation that each has received a copy of this Order and the adopted Examination Report;

4. That the adopted Examination Report shall be open for public inspection upon the expiration of thirty (30) days from the Company's receipt of this Order.

IT IS SO ORDERED this 29th day of April, 2010.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS