Humana Agrees to Consent Order Regarding HIV/AIDS Medications and Conduct of Exams

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TALLAHASSEE, Fla. -- Florida Insurance Commissioner Kevin McCarty has issued a Consent Order to Humana Medical Plan, Inc., (Humana), which specifically addresses issues related to the Office of Insurance Regulation’s (Office) target market conduct examination of the company for its drug formulary and the requirement to make company records freely available to examiners. In the Consent Order, Humana denies any allegation that its classification of drugs was unfairly discriminatory or that its plan violated the law.

The Consent Order approved earlier in the week and related to the Aetna Inc. acquisition of Humana resolves this issue going forward, but is dependent upon the completion of the entire acquisition. In the meantime, or in case the acquisition does not close, the Office has reached this additional agreement with Humana regarding the treatment of HIV/AIDS medications and the cooperation required during examinations.

The Consent Order completes an exercise that began in 2014 when the Office was made aware of allegations that Humana and several other companies may have been violating Florida’s HIV/AIDS anti-discrimination law. The Office conducted a market conduct examination targeted at the classification of HIV/AIDS medications on the Humana formulary. Florida law requires companies, their officers, employees and attorneys to make books and records “freely available” to examiners. Having all records screened by lawyers and only produced in a litigation-style manner is not making these records “freely available.” This Consent Order closes the examination and requires Humana to pay a penalty in the amount of $500,000 and to comply with Florida Statutes and the Florida Administrative Code with respect to examinations.

Key aspects of the Consent Order include agreements that:

• Humana will continue maintaining procedures to ensure that it does not treat those living with HIV/AIDS less favorably than any other condition.

• Humana will cooperate with the Office’s market conduct examinations and investigations going forward and acknowledging that these are not civil actions.
• Humana will establish an independent market conduct examination and investigation compliance program separate from its litigation department by July 1, 2016.

About the Florida Office of Insurance Regulation
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