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Insurance Department Exam Finds UnitedHealthcare Violations

Harrisburg, PA – Insurance Commissioner Jessica Altman today released a [market conduct examination report](#) on the practices and procedures of UnitedHealthcare Insurance Company. Based on violations of the Mental Health Parity and Addiction Equity Act (MHPAEA) and other violations contained in the report, UnitedHealthcare has agreed to develop an \$800,000 public outreach campaign to educate consumers about their mental health and substance use disorder benefits. The company has also agreed to pay restitution to consumers from claims wrongly denied, overpaid out-of-pocket expenses, and interest on delayed claims. The department levied a \$1,000,000 civil penalty for violations found during the examination.

The report, which covers the period from January 2015 through March 2016, found extensive noncompliance with mental health parity and prompt pay laws, as well as concerns with the company's coverage for services relating to autism spectrum disorders and substance use disorders. The examination also covered company operations, handling of consumer complaints, and policyholder services.

"Market conduct examinations provide the department with an opportunity to review a company's practices and procedures, including its compliance with laws requiring parity of coverage for substance use disorders and mental health," Altman said. "The violations within this area were very disappointing as they negatively affected some of our most vulnerable populations."

The department is conducting similar comprehensive market conduct examinations, emphasizing mental health and substance use disorder parity, on all of Pennsylvania's major health insurers, to ensure all Pennsylvania health insurers are in compliance with state and federal law. Previous examination reports were issued to [Blue Cross of Northeast Pennsylvania](#) in early 2018 and [Aetna](#) in early 2019.

In addition to the mental health and substance use disorder parity violations, the Insurance Department noted the following, among others:

- Inaccurate calculation of consumers' total out-of-pocket costs for autism claims.
- Delayed payment and improper handling of claims. The law requires all uncontested claims and uncontested portions of contested claims be paid within 45 days of receipt.
- Delayed responses to consumer complaints.

UnitedHealthcare has been ordered to address many of the violations through changes in company practices and procedures, and the Insurance Department will be verifying that these corrective actions have taken place through a reexamination process. The department also acknowledges the company has been cooperative in its response to the violations.

"As a result of this report, UnitedHealthcare will improve its procedures to help consumers make better informed decisions about their coverage and their care," Altman said. "The results of this examination will also help the

department in its ongoing oversight of the company and ensure that consumers are receiving the benefits they are entitled to under law."

The [Mental Health Parity and Addiction Equity Act of 2008](#) [Opens In A New Window](#) requires health insurance plans to contain equivalent levels of coverage for mental health and substance use disorder care as for medical or surgical care. This coverage includes quantitative limitations (copays, deductibles, and limits on inpatient or outpatient visits that are covered) and non-quantitative limitations (pre-authorizations, providers available through a plan's network, and what a plan deems "medically necessary"). The federal law was incorporated into Pennsylvania law in 2010 through Act 14.

Currently, parity for mental health and substance use disorder coverage is required for individuals with the following health plans:

- Individual and small group health plans, as required by the Affordable Care Act;
- Large group health insurance plans which offer substance use disorder and mental health coverage. Fully insured plans are required to offer this coverage under Pennsylvania Act 106;
- Children's Health Insurance Program (CHIP) and Medicaid Managed Care.

The Insurance Department reviews all individual, small group, and large group policies to ensure those policies contain all state and federal policy requirements, including mental health and substance use disorder parity. However, the Insurance Department has found even in policies containing language meeting all requirements a lack of appropriate administrative oversight or other operational problems have led to mishandling of these important consumer protections.

Consumers who believe their health plans are not in compliance with parity requirements for mental health and substance use disorder coverage, or who have questions about the benefits to which they are entitled, are urged to contact the Insurance Department's Bureau of Consumer Services.

Find more information on substance use disorder and mental health coverage [here](#). More information and videos on parity can be found [here](#).

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