

Insurance Regulation

United Healthcare Resolves New Jersey Enforcement Action

United Healthcare Insurance Co. and three affiliates agreed to pay \$2.5 million to settle an enforcement action by the New Jersey Banking and Insurance Department, the agency's largest fine in nine years.

The consent order settled allegations of various state insurance law violations by United and its affiliates Americhoice of New Jersey Inc., Oxford Health Insurance Inc., and Oxford Health Plans (New Jersey) Inc. Among the alleged lapses were using a nondesignated provider for hemophilia services and failing to comply promptly with reversals of coverage denials by the state panel for independent appeals.

The case is significant for the size of the penalty and the message intended for health insurers.

"My view is that the department put this out to remind people to stay on top of these compliance issues, to keep them on their toes," Michael F. Schaff of the law firm Wilentz Goldman & Spitzer PA in Woodbridge, N.J., told Bloomberg Law Aug. 1. "If you violate the law, you could be subject to significant fines or penalties."

"It's a consent order, so there's no admission of liability," added Grace Mack of the same law firm, in a joint interview. "But it should prompt some self-

awareness and compliance check-ups among companies."

The amount of the fine is dwarfed by United's total assets, "but it's not a small number" and is rationally linked to the alleged harm, Schaff said. The two represent providers in health-care matters.

In a statement, United said that it had worked closely with the agency "to address its concerns and made improvements where needed." The company is based in Minnetonka, Minn.

Aetna Also Cited The agency disclosed the United settlement July 23 in an announcement of a total of \$4.1 million in fines imposed for violations of state insurance, banking, and real estate laws in the first half of 2018.

That amount also included a \$350,000 fine paid by Aetna Life Insurance Co. and Aetna Health Inc. for allegedly violating a law requiring insurers to stop offering new policies for small-employer health plans within two months of notifying the department of their withdrawal from the New Jersey market.

Aetna declined to comment on the action.

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The United consent order is at <http://src.bna.com/APJ>.

The Aetna consent order is at <http://src.bna.com/APK>.

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