

September 14, 2007

Good News regarding UnitedHealthcare

UnitedHealthcare has entered into a regulatory settlement agreement related to alleged violations of various state laws governing claims payment and claims management. Under the settlement, UHC has agreed to “resolve essentially all regulatory matters prior to the effective date of the agreement and to establish an efficient and transparent framework for evaluating and regulating performance over the next three years.”

UnitedHealthcare of New England is included in and subject to the provisions of this multi-state agreement.

In addition to paying a fine not to exceed \$20 million, which will be divided among the signatory states based on the number of UHC policyholders in each state, UHC has agreed to implement a three-year “Process Improvement Plan.”

This “improvement plan” includes standards for claims accuracy, timeliness of claims payment, and standards for the handling of appeals and complaints. These are issues that the Rhode Island Medical Society has brought to UHC and to Rhode Island regulators repeatedly over the years. The entire settlement agreement, including the details of the Process Improvement Plan, will be posted to the RIMS website, www.rimed.org.

UHC said in a statement “...it became clear that UHC had common business processes operating on a national platform, and so could advance performance levels on a uniform basis nationally, not just state-by-state.”

It appears that no retroactive remedies will be available to physicians under the settlement agreement. The relief contained in the agreement is prospective only. However, the specifics of the settlement agreement are still significant. No one state could have brought the nation’s largest health insurer to the table and forged such a settlement. Rather, it took 36 states and the District of Columbia to accomplish this task.

Rhode Island state authorities have not yet signed onto the settlement agreement. However, the terms of the settlement and the Performance Improvement Plan will be in effect in Rhode Island with or without the state’s signature on the official document

Physicians can be assured that RIMS will encourage Rhode Island regulators to monitor UHC’s compliance with the Performance Improvement Plan closely.

This regulatory settlement is separate and apart from the multi-district litigation lawsuit against UHC in federal court in Miami. That major case was brought against UHC primarily by state medical societies and remains actively in process.