



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

-----X

In the Matter of

**OXFORD HEALTH PLANS (NY), INC. and
OXFORD HEALTH INSURANCE, INC.**

No. 2016-0005-A

Respondents.

-----X

CONSENT ORDER

WHEREAS, the New York State Department of Financial Services (the "Department") conducted a Market Conduct Examination of the affairs of Oxford Health Plans (NY), Inc. and Oxford Health Insurance, Inc. ("OHP-NY" and "OHI" respectively) for the period from January 1, 2009 through December 31, 2013 and issued its Market Conduct Report On Examination dated December 18, 2015. Where the designation "Oxford" appears herein, it should be understood to refer to both Oxford Health Plans (NY), Inc. and Oxford Health Insurance, Inc., collectively.

WHEREAS, this Consent Order contains the Department's findings and the relief agreed to by the Department and Oxford.

NOW, THEREFORE the Department and Oxford are willing to resolve the matters cited herein in lieu of proceeding by notice and hearing.

Findings

1. OHP-NY is a for-profit HMO that was incorporated on April 19, 1985 under New York State Law for the purpose of providing comprehensive health care services on a prepaid

basis and for the purpose of establishing and operating a health maintenance organization and health care delivery system. OHP-NY was granted a Certificate of Authority pursuant to the provisions of Article 44 of the New York Public Health Law and commenced business on June 1, 1986 and has been deemed a Competitive Medical Plan by the Centers for Medicare & Medicaid Services for purposes of the Federal Medicare Program. OHP-NY's primary business is the provision of medical expense coverage for comprehensive health care services to its members on a pre-paid basis.

2. OHI was incorporated in New York State on January 30, 1987 for the purpose of providing accident and health insurance products. It obtained its license from New York State on July 1, 1987, and commenced operations on that date. From its date of incorporation until December 31, 1997, OHI was a wholly-owned subsidiary of Oxford Health Plans, Inc., a Delaware corporation. On that date, with the Department's approval, Oxford Health Plans, Inc. transferred 100% ownership of OHI to OHP-NY. Subsequent to the examination, on January 24, 2014, the New York State Department of Health approved the transfer of OHI from OHP-NY to UnitedHealthcare Insurance Company.
3. The ultimate parent of both OHP-NY and OHI is UnitedHealth Group, Inc.
4. For the time period 2009 to 2013:
 - OHP-NY improperly paid compensation to unlicensed producers in violation of Insurance Law Section 2114;
 - OHI failed to acknowledge insureds' grievances within 15 business days in violation of Insurance Law Section 4802(d); and
 - OHI failed to send adverse determination notices as well as adverse utilization review appeal letters to insureds in violation of Insurance Law Sections 4903 and 4904.

Violations

5. By reason of the foregoing, OHP-NY violated Insurance Law Section 2114, and OHI violated Insurance Law Sections 4802(d), 4903 and 4904.

Agreement

IT IS HEREBY UNDERSTOOD AND AGREED by OHP-NY and OHI, their successors, assigns, agents, representatives, employees, officers, parent companies, holding companies, and any corporation, subsidiary or division through which they operate that:

6. OHP-NY and OHI will correct the violations cited herein and take all necessary steps to comply with the New York Insurance Law and Regulations with respect to their insurance products in the future.

Penalty

7. Within seven (7) days of the execution of this Consent Order, Oxford shall pay a civil penalty of One Million Dollars (\$1,000,000). Oxford agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Order.
8. The above referenced payment shall be transmitted to the New York State Department of Financial Services account at JPMorgan Chase Bank, N. A. via electronic transfer in accordance with the Department's instructions.

Breach of the Consent Order

9. In the event that the Department believes that Oxford has materially breached this Consent Order, the Department will provide written notice of such breach to Oxford, and Oxford must, within ten (10) business days from the date of receipt of said notice, or on a later date if so determined in the sole discretion of the Superintendent, appear before the Department and have an opportunity to rebut the evidence, if any, on the issue of whether a breach has occurred and, to the extent pertinent, to demonstrate that any such breach is not material or has been cured.
10. The Department and Oxford understand and agree that Oxford's failure to appear before the Department to make the required demonstration within the period set forth in Paragraph

9 of this Consent Order is presumptive evidence of Oxford's breach. Upon a finding of breach, the Department has all the remedies available to it under New York law and may use any and all evidence available in connection with all ensuing hearings, notices, orders and other remedies that are available.

Other Provisions

11. If Oxford defaults on the payment of its monetary obligations under this Consent Order, the Department may terminate the Consent Order at its sole discretion, upon ten (10) days' written notice. In the event of such termination, Oxford expressly agrees and acknowledges that this Consent Order shall in no way bar or otherwise preclude the Department from commencing, conducting, or prosecuting any inquiry, action, or proceeding against Oxford, however denominated, related to the subject matter of this Consent Order, or from using in any way the statements, documents, or other materials produced or provided by Oxford prior to or after the date of this Consent Order, except as may otherwise be provided in a written agreement with the Department.
12. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by Oxford and the Department's own factual inquiry. To the extent that representations made by Oxford Health Plans (NY), Inc. and Oxford Health Insurance, Inc. are later found to be materially incomplete or inaccurate, this Consent Order is voidable by the Superintendent in her sole discretion.
13. Upon request by the Department, Oxford shall provide all non-privileged documentation and information reasonably necessary for the Department to verify compliance with this Consent Order.
14. All notices, reports, requests and other communications to any party pursuant to this Consent Order shall be in writing and shall be directed as follows:

If to the Department:

New York State Department of Financial Services
One State Street, 19th Floor

New York, NY 10004-1511
Attention: Joy Feigenbaum, Executive Deputy Superintendent
Financial Frauds & Consumer Protection

If to the Company:

United Healthcare
4 Research Drive, 5th Floor
Shelton, CT 06484
Attention: Carmel Colica
VP Northeast and Mid-Atlantic Legal and Regulatory Affairs

15. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
16. This Consent Order may not be amended except by an instrument in writing signed on behalf of all parties to this Consent Order.
17. OHP-NY and OHI agree that no provision of the Consent Order is subject to review in any court or tribunal outside the Department.
18. In the event that one or more provisions contained in this Consent Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.
19. This Consent Order may be executed in one or more counterparts, and shall become effective when such counterparts have been signed by each of the parties hereto or their designee and approved by the Superintendent of Financial Services.
20. This Consent Order constitutes the entire agreement between the Department and Oxford and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order. No inducement, promise, understanding, condition, or warranty not set forth in this Consent Order has been relied upon by any party to this Consent Order.
21. Upon execution by the parties to this Consent Order and receipt of the payment specified in Paragraph 7 of this Consent Order, the Department will discontinue the inquiry as and against OHP-NY and OHI with respect to the subject matter as set forth in this Consent

Order. The Department will take no further action against Oxford for the conduct set forth in this Consent Order provided that OHP-NY and OHI comply with its terms.

WHEREFORE, the signatures evidencing assent to this Consent Order have been affixed hereto on the dates set forth below.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: Joy Feigenbaum Dated: 2/24/17
Joy Feigenbaum, Executive Deputy Superintendent
Financial Frauds & Consumer Protection

OXFORD HEALTH PLANS (NY), INC. and
OXFORD HEALTH INSURANCE, INC

By: Michael McGuire Dated: 2/13/17
Michael McGuire,
New York Health Plan CEO

THE FOREGOING CONSENT ORDER IS HEREBY APPROVED.

Dated: New York, NY

March 1, 2017

By: L. Vullo
Maria T. Vullo
Superintendent of Financial Services