



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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Notice of Adoption and Filing of Examination Report

Take notice that the proposed report of the market conduct examination of the

Medical Associates Clinic Health Plan, Inc.
1605 Associates Drive, Suite 101
Dubuque, IA 52002

dated June 2, 2003 - June 18, 2003, and served upon the company on November 24, 2003, has been adopted as the final report, and has been placed on file as an official public record of this Office.

Dated at Madison, Wisconsin, this 29th day of January, 2004.

Jorge Gomez
Commissioner of Insurance

**STATE OF WISCONSIN
OFFICE OF THE COMMISSIONER OF INSURANCE**

MARKET CONDUCT EXAMINATION

OF

**MEDICAL ASSOCIATES CLINIC HEALTH PLAN, INC.
DUBUQUE, IOWA**

JUNE 2, 2003 THROUGH JUNE 18, 2003

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	PURPOSE AND SCOPE	5
III.	PRIOR EXAMINATION RECOMMENDATIONS	6
IV.	CURRENT EXAMINATION FINDINGS	10
	Claims.....	10
	Electronic Commerce	14
	Grievance and IRO	16
	Managed Care.....	21
	Marketing, Sales and Advertising.....	23
	Policy Forms.....	24
	Policyholder Service and Complaints	25
	Privacy and Confidentiality	26
	Producer Licensing.....	27
	Small Employer	29
	Company Operations/Management	32
V.	CONCLUSION	34
VI.	SUMMARY OF RECOMMENDATIONS	35
VII.	ACKNOWLEDGEMENT	40



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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June 27, 2003

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Honorable Jorge Gomez
Commissioner of Insurance
Madison, WI 53702

Commissioner:

Pursuant to your instructions and authorization, a targeted market conduct examination was conducted June 2 to June 18, 2003 of:

MEDICAL ASSOCIATES CLINIC HEALTH PLAN, INC.
Dubuque, Iowa

and the following report of the examination is respectfully submitted.

I. INTRODUCTION

Medical Associates Clinic Health Plan of Wisconsin (MAHP) was incorporated October 25, 1983, under ch. 613, Wis. Stat., as a nonprofit group model health maintenance organization (HMO) insurer. Under the group model, the HMO contracts with a sponsoring clinic to provide all services.

MAHP commenced operation on January 1, 1985. MAHP is controlled by Medical Associates Clinic, P.C. (MAC), its sponsoring clinic and founder and is governed by its board of directors. MAHP contracts with the MAC to provide all services to its members. MAC also contracts with other area clinics and hospitals in the service area. MAHP primarily markets to groups, but has an individual conversion plan to offer to enrollees who are no longer an employee of a current subscriber group.

MAC contracts with 193 providers and 15 hospitals. MAHP service area includes the counties of Crawford, Grant, Iowa, and Lafayette. MAHP reported that as of December 1, 2002, it had 6,717 members.

MAHP received a 3-year accreditation by the National Committee for Quality Assurance (NCQA) on November 21, 2002.

The majority of the premium written by the company in 2000 and in 2001 was in group accident and health. The company did not rank in the top 20 largest writers of group accident and health in either 2000 or 2001.

The following tables summarize the premium written and incurred losses in Wisconsin for 2000 and 2001 broken down by line of business.

Wisconsin Direct Premium Summary

2001		
Line of Business	Premium Earned	% of WI Total
Group Health	\$11,884,567	83.41%
Medicare	\$2,363,581	16.59%
Total	\$14,248,148	100%

2000		
Line of Business	Premium Earned	% of WI Total
Group Health	\$9,304,955	81.39%
Medicare	\$2,128,135	18.61%
Total	\$11,433,090	100%

The Office of the Commissioner of Insurance (OCI) received five complaints against the company from January 1, 2001 through December 31, 2002. A complaint is defined as “a written communication received by the Commissioner’s Office that indicates dissatisfaction with an insurance company or agent.” The company was not ranked on the OCI above-average complaint summary for the years 2001 and 2002. The majority of the complaints involved claims.

The following table categorizes the complaints received against the company by type of policy and complaint reason. There may be more than one type of coverage and/or reason for each complaint.

Complaints Received

2001						
Reason Type	Total	Underwriting	Marketing and Sales	Claims	Policyholder Service	Other
Coverage Type	No.	No.	No.	No.	No.	No.
Individual A&H	0	0	0	0	0	0
Group A&H	1	0	0	1	0	0
HMO	1	0	0	0	1	0
Medicare Supplement	1	0	0	1	0	0
Pharmaceutical	1	0	0	0	0	1
Total	4	0	0	2	1	1

2002						
Reason Type	Total	Underwriting	Marketing and Sales	Claims	Policyholder Service	Other
Coverage Type	No.	No.	No.	No.	No.	No.
Individual A&H	1	0	0	1	0	0
Group A&H	0	0	0	0	0	0
HMO	0	0	0	0	0	0
Pharmaceutical	0	0	0	0	0	0
Total	1	0	0	1	0	0

GRIEVANCES

MAHP submitted annual grievance summary reports to OCI for 2000 and 2001. A grievance is defined as “any dissatisfaction with the provision of services, or claims practices of an insurer offering a health benefit plan, or administration of a health benefit plan by the insurer that is expressed in writing to the insurer by, or on behalf of, an insured.”

The grievance report for 2001 indicates the company received 27, 16, or 59% were reversed. The majority of the grievances filed with the company in 2001 were related to non-covered benefits.

The grievance report for 2000 indicates the company received 25 grievances, 5, or 20% were reversed. The majority of the grievances filed with the company in 2000 were related to out of network provider.

The following table summarizes the grievances for the company for the last two years:

2000			
Category	No.	No. Reversed	% Reversed
Out-of-Network Provider	5	2	40%
Prescription Drug	0	0	0%
Preexisting Condition	0	0	0%
Out-of-Area Emergency	1	1	100%
Emergency Room	0	0	0%
Durable Medical	0	0	0%
No Preauthorization	0	0	0%
Non-covered Benefit	4	1	25%
Not Medically Necessary	0	0	0%
Usual and Customary	0	0	0%
Request for Preauthorization	0	0	0%
Request for Referral	0	0	0%
Maximum Benefit Reached	0	0	0%
Other	15	1	6.7%
Total	25	5	20%

2001			
Category	No.	No. Reversed	% Reversed
Access to Care	0	0	0%
Continuity of Care	0	0	0%
Drug & Drug Formulary	2	2	100%
Emergency Services	0	0	0%
Experimental Treatment	0	0	0%
Prior Authorization	4	3	75%
Not Covered Benefit	11	4	36%
Not Medically Necessary	0	0	0%
Other	7	4	57%
Plan Administration	2	2	100%
Plan Providers	0	0	0%
Request for Referral	1	1	100%
Total	27	16	59%

II. PURPOSE AND SCOPE

A targeted examination was conducted to determine whether the company's practices and procedures comply with the Wisconsin insurance statutes and codes. The examination focused on the period from January 1, 2001 through December 31, 2002. In addition, the examination included a review of any subsequent events deemed important by the examiner-in-charge during the examination.

The scope of the examination was limited to a review of claims; company operations and management; complaints; e-commerce; grievances; managed care; marketing; privacy; producer licensing; sales and advertising; and small employer. The examination included a review of compliance with the examination recommendations in the previous market conduct examination report dated June 26, 1996, and the managed care desk audit dated November 15, 1999.

The report is prepared on an exception basis and comments on those areas of the company's operations where adverse findings were noted.

III. PRIOR EXAMINATION RECOMMENDATIONS

The previous market conduct examination of the company, as adopted July 8, 1997, contained 11 recommendations. Following are the recommendations and the examiners' findings regarding the company's compliance with each recommendation.

Complaints and Grievances

1. It is recommended that the HMO consider any dissatisfaction with the administration, claims practices, or provision of services, which is expressed in writing by, or on behalf of a plan enrollee to be a grievance [s. Ins 3.50 (3) (c), Wis. Adm. Code].

Action: Noncompliance

2. It is recommended that the HMO retain a record for each complaint for at least a three-year period and make that record available for review during examinations by OCI [s. Ins 3.50 (10) (g), Wis. Adm. Code].

Action: Compliance

3. It is recommended that the HMO revise its written complaint procedures and written grievance procedures to clearly define the differences between complaints and grievances, and to allow all enrollees who file grievances the right to appear before the grievance committee. The revised procedures should be submitted to OCI for review within 60 days of the adoption of the examination report [s. Ins 3.50 (10), Wis. Adm. Code].

Action: Noncompliance

4. It is recommended that the HMO include in its provider agreements a provision which requires the provider to identify complaints and grievances and forward these in a timely manner to the HMO for recording and resolution [s. Ins 3.50 (10) (g) 2, Wis. Adm. Code].

Action: Compliance

Advertising

5. It is recommended that the HMO maintain one complete advertising file which contains every printed, published, or prepared advertisement of its policies [s. Ins 3.27 (28), Wis. Adm. Code].

Action: Compliance

6. It is recommended that the HMO state its complete corporate name in all of its advertisements [s. Ins 3.27 (12), Wis. Adm. Code].

Action: Compliance

7. It is recommended that the HMO include a form number on each advertisement which distinguishes it from other advertisements, policies, and other forms used by the insurer [s. Ins 3.27 (26), Wis. Adm. Code].

Action: Compliance

8. It is recommended that the HMO attach a notation to each advertisement in its advertising file indicating the manner and extent of distribution of the advertisement [s. Ins 3.27 (28), Wis. Adm. Code].

Action: Compliance

Policy Forms

9. It is recommended that the HMO amend its insurance policies [form number WIGROUP7, WIGROUP8, and WIND(1/91), to include a positive statement regarding coverage of blood lead screening tests and submit the amended policy forms to OCI for approval within 60 days of the adoption of the examination report [s. 632.895 (10), Wis. Stat.].

Action: Compliance

10. It is recommended that the HMO submit an individual conversion policy which complies with s. Ins 3.41, Wis. Adm. Code through s. Ins 3.43, Wis. Adm. Code, to OCI for approval within 60 days of the adoption of the examination report.

Action: Compliance

11. It is recommended that the HMO provide OCI documentation that the policy it offers as a conversion policy to individuals who move out of the service area has been approved for use as a conversion policy in Wisconsin by OCI [s. 632.897 (4), Wis. Stat.].

Action: Compliance

A managed care desk audit conducted in 1999 and adopted January 19, 2000, included eight recommendations. Following are the recommendations and the examiners' findings regarding the company's compliance with each recommendation.

Standing Referral

1. It is recommended that Medical Associates submit to OCI, and obtain approval of language in its policies and certificates regarding standing referrals, as required by s. 609.22 (4) (a) 3, Wis. Stat.

Action: Compliance

2. It is recommended that Medical Associates develop a procedure for providing information on its standing referral procedure upon request to an enrollee or prospective enrollee, as required by s. 609.22 (4) (a) 3, Wis. Stat.

Action: Compliance

Access Plan for Certain Enrollees

3. It is recommended that Medical Associates develop an access plan that includes specific procedures designed to ensure the needs, with respect to covered benefits, of its enrollees who are members of underserved populations are met, as required by s. 609.22 (8), Wis. Stat.

Action: Compliance

Continuity of Care

4. It is recommended that Medical Associates develop a process to provide coverage to an enrollee for the services of a provider during a continuity of care period, as required by s. 609.24, Wis. Stat.

Action: Compliance

5. It is recommended that Medical Associates submit to OCI, and obtain approval of language in its certificates and policies regarding continuity of care, as required by s. 609.24, Wis. Stat.

Action: Compliance

6. It is recommended that Medical Associates amend its provider agreements to include a provision that obligates terminated providers to continue to provide services to its enrollees for the duration of the time period required for maternity and postpartum care under s. 609.24, Wis. Stat.

Action: Compliance

Provider Selection and Credentialing

7. It is recommended that Medical Associates finalize its draft procedures to notify the medical examining board or appropriate affiliated credentialing board of any disciplinary actions taken against a participating provider, as required by s. 609.17, Wis. Stat.

Action: Compliance

Formularies and Experimental Treatment

8. It is recommended that Medical Associates develop a procedure for obtaining individual patient exceptions for coverage of devices not normally covered by the plan, and that the procedure include timelines for urgent and non-urgent review, as required by s. 632.853, Wis. Stat.

Action: Compliance

IV. CURRENT EXAMINATION FINDINGS

Claims

The examiners reviewed the company's response to the claims interrogatory, claims administration processes, claims audit reports, procedures, explanation of benefits (EOB), remittance advice (RA) forms, and claim adjustment codes. The examiners also reviewed the company's claims process for chiropractic claims.

The examiners reviewed a random sample of 100 paid and 100 unpaid medical claims. The examiners found that MAHP had not paid interest on two claims that were processed more than 30 days after receipt. The examiners found that the company did not have a process, or written procedures for paying interest on claims that are not paid within 30 days. The company acknowledged that it had not paid interest on claims over 30 days. Section 628.46, Wis. Stat., provides that a claim shall be overdue if not paid within 30 days after the insurer is furnished written notice of the fact of a covered loss and of the amount of the loss. All overdue payments shall bear simple interest at the rate of 12% per year.

1. **Recommendation:** It is recommended that MAHP develop and implement a procedure for identifying claims not paid within 30 days after receipt, and for paying interest on these claims in order to comply with s. 628.46, Wis. Stat.
2. **Recommendation:** It is recommended that MAHP provide OCI with a report within 90 days of the adoption of this examination report, identifying claims not paid within 30 days of receipt, and documentation that interest has been paid on the claims processed from January 1, 2001 forward, in order to document compliance with s. 628.46, Wis. Stat.

The examiners found that MAHP's explanation of benefits (EOB) form did not include a statement that indicated whether payment accompanied the form, was made to the health care provider or was denied, the CPT-4, HCPCS, or CDT-1 code, the total deductible amount remaining for the policy period, the total out-of-pocket amount remaining for the policy period, the remaining amount of the policy's lifetime limit, and the annual benefit amount. Section Ins 3.651 (4), Wis. Adm. Code, specifies the minimum information required on an insurer's EOB form.

3. **Recommendation:** It is recommended that MAHP develop and put into use an explanation of benefits (EOB) form that includes: a statement as to whether payment accompanies the form, payment has been made to the health care provider, or payment has been denied, the CPT-4, HCPCS, or CDT-1 code, the total deductible amount remaining for the policy period, the total out-of-pocket amount remaining for the policy period, the remaining amount of the policy's lifetime limit, and the annual benefit amount, in order to comply with s. Ins 3.651 (4), Wis. Adm. Code.

The examiners found that MAHP's remittance advice (RA) form did not include the insurer's name, address, and telephone number of a section of the company designated to handle questions and appeals from health care providers, the insured's name and policy number, certificate number or both and the coinsurance amount. Section Ins 3.651 (3), Wis. Adm. Code, specifies the minimum information required on an insurer's RA form.

4. **Recommendation:** It is recommended that MAHP develop and put into use a new remittance advice form that includes the insurer's name, address, and telephone number of a section of the insurer designated to handle questions and appeals from health care providers, the insured's name, policy number, certificate number, or both, and the coinsurance amount, in order to document compliance with s. Ins 3.651 (3), Wis. Adm. Code.

The examiners found that MAHP did not have a process or written procedure for providing the insured with the amount allowable for a specific procedure upon the insured's request. Section Ins 3.60 (6) (a) 2, Wis. Adm. Code, states that each health insurer shall, upon request, provide the insured with the amount allowable under the insurer's guidelines for determination of the eligible amount of a provider's charge for a specific health care procedure or service in a given geographic area and is required to disclose the specific amount, which is an allowable charge under the insurer's guidelines only if the provider's charge exceeds the allowable charge under the guidelines.

5. **Recommendation:** It is recommended that MAHP develop and implement a process and written procedure for providing an insured with the amount allowable for a specific procedure in order to comply with s. Ins 3.60 (6) (a) 2, Wis. Adm. Code.

The examiners found that MAHP's claims system used the 1994 edition of the American National Standards Institute accredited standards committee (ANSI) codes. The

examiners also found that the company used on its EOBs and RAs its own internal claim adjustment reasons codes instead of the ANSI codes published by OCI. The company stated that it did not update the ANSI codes on a regular basis. Section Ins 3.651 (5), Wis. Adm. Code, requires that in preparing remittance advice and explanation of benefits forms, an insurer shall use the claim adjustment reason codes provided by the Office of the Commissioner of Insurance (OCI), by no later than the first day of the 4th month beginning after being notified that an updated list of codes is available.

6. **Recommendation:** It is recommended that MAHP develop and implement a process to ensure it uses the current version of ANSI codes published by OCI, in order to document compliance with s. Ins 3.651 (5), Wis. Adm. Code.

The examiners reviewed a random sample of 100 paid and 100 unpaid chiropractic claims. MAHP contracted with ChiroTech America, Inc., to process claims for network chiropractic providers. ChiroTech paid network chiropractic providers at a capitated level and stated that it had not denied any chiropractic claims from network providers. The examiners found that MAHP denied chiropractic claims for its point of service plans, which were processed by MAHP, without evaluation by a chiropractor or chiropractic peer review committee. Section 632.87 (3) (b) 1, Wis. Stat., provides that no insurer, under a policy, plan, or contract covering diagnosis and treatment of a condition; or complaint by a licensed chiropractor may restrict, or terminate coverage for the treatment of a condition, or a complaint by a licensed chiropractor within the scope of the chiropractor's professional license on the basis of other than an examination, or evaluation by, or a recommendation of a licensed chiropractor, or a peer review committee that includes a licensed chiropractor. Section 632.875, Wis. Stat., provides that if on the basis of an independent evaluation, an insurer restricts or terminates a patient's coverage for the treatment of a condition or complaint by a chiropractor acting within the scope of his or her license and the restriction or termination of coverage results in the patient becoming liable for payment for his or her treatment, the insurer shall provide to the patient and to the treating chiropractor a written statement that contains specific information.

7. **Recommendation:** It is recommended that MAHP develop and implement a process including written procedures for the independent review of chiropractor claim denials in order to document compliance with s. 632.875, Wis. Stat.
8. **Recommendation:** It is recommended that MAHP file with OCI, within 90 days of the adoption of the examination report, a report identifying denied chiropractic claims and documenting that claims from January 1, 2001, were subject to independent evaluation by a chiropractor or chiropractic peer review committee in order to document compliance with s. 632.87(3)(b)1, Wis. Stat.

Electronic Commerce

The examiners reviewed the company's response to the electronic commerce interrogatory, website provider listings, and information for agents. The MAHP marketing department was responsible for the content, and oversight of the company's Internet and World Wide Web activities, with technical support provided by the Medical Associates IT department.

The examiners' review of the company's website indicated that it provided basic information about the company's products and services. The website provided a telephone number for the company and a website link to email the company. The drug formulary and the provider directory information were available on the MAHP website. The company stated that the drug formulary was updated every other month and the provider directory was updated monthly.

The examiners requested from the company a list of providers terminated within the three months prior to the examination, in order to verify that the terminated providers had been deleted from the company's electronic provider directory. The company provided a list identifying three terminated providers. The examiners found that the names of the three providers had been deleted from the provider directory on the company's website.

MAHP stated it did not generate or process leads for business through its website and did not advertise, or post information on other Internet sites. The examiners found that the company's website did not include applications for coverage.

The examiners found that MAHP did not have a process for monitoring agent websites in order to determine if agents were advertising company products. Section Ins 3.27, Wis. Adm. Code, establishes minimum standards of and guidelines for conduct in the advertising and sale of insurance that prevent unfair competition among insurers and are conducive to the accurate presentation and description to the insurance buying public of policies of insurance.

9. **Recommendation:** It is recommended that MAHP develop and implement a process for identifying company advertisements on the Internet, and for monitoring agent websites to ensure that all advertisements used by agents are approved by the company, are included in the company's advertising file and are compliant with s. Ins 3.27, Wis. Adm. Code.

The examiners found that MAHP's agent and agency agreements did not include specific language that required agents to obtain approval for advertising on their web pages, however, the agreements did state that only materials provided by MAHP could be used in the advertising and marketing of MAHP products. The company indicated that none of its agents had made a request to advertise MAHP on their websites. Section Ins 3.27 (27), Wis. Adm. Code, states that an insurer shall require its agents, and any other person, or agency acting on its behalf in preparing advertisements, to submit proposed advertisements to it for approval prior to use.

10. **Recommendation:** It is recommended that MAHP include in its agent and agency agreements language that requires the Internet and website advertisements be submitted to the company for approval prior to use in order to comply with s. Ins 3.27 (27), Wis. Adm. Code.

Grievances and IRO

The examiners reviewed MAHP's response to the grievance interrogatory, grievance procedure, and the annual grievance reports for 2001 and 2002 submitted by the company.

The examiners found that the company's grievance committee was an ad hoc committee that met only when a grievance was filed with MAHP. The examiners documented that MAHP's grievance committee always included an individual authorized to take corrective action. MAHP's quality improvement committee was responsible for reviewing and resolving quality of care grievances.

The examiners reviewed the 34 grievance files identified in the company's grievance reports for 2001 and 2002. The examiners found that five of the company's grievance files did not include documentation that a meeting notice was sent to the grievant. Section Ins 18.03 (3) (b), Wis. Adm. Code, provides that a written notification of the time and place of the grievance meeting should be sent to the insured at least 7 calendar days before the meeting.

11. **Recommendation:** It is recommended that MAHP ensure and maintain documentation that each grievant is sent written notification of the time and place of the grievance meeting in order to comply with s. Ins 18.03 (3) (b), Wis. Adm. Code.

The examiners found 19 of the company's grievance files did not include documentation that the grievant had received a grievance acknowledgement letter within 5 days of receipt of the grievance. Section Ins 18.03 (4), Wis. Adm. Code, requires an insurer offering a health benefit plan to, within 5 business days of receipt of a grievance, deliver, or deposit in the mail a written acknowledgement to the insured, or the insured's authorized representative confirming receipt of the grievance.

12. **Recommendation:** It is recommended that MAHP ensure and maintain documentation that grievants are sent written acknowledgement confirming receipt of the grievance in order to comply with s. Ins 18.03 (4), Wis. Adm. Code.

The examiners found five grievance files that were not resolved within 30 days of receipt, and did not include documentation that an extension letter was sent to the grievant.

Section Ins 18.03 (6), Wis. Adm. Code, requires an insurer offering a health benefit plan to resolve a grievance within 30 calendar days of receiving the grievance. If the insurer cannot resolve the grievance within 30 days of receipt, a written notification must be sent to the insured and the insured's authorized representative.

13. **Recommendation:** It is recommended that MAHP ensure and maintain documentation that all grievances are resolved within 30 days of receipt of the grievance, or that a letter of extension is sent to the insured or the insured's representative in order to comply with s. Ins 18.03 (6), Wis. Adm. Code.

The examiners found four grievance files did not include documentation that a grievance meeting was held. Section Ins 18.03 (3) (a) , Wis. Adm. Code, states that an insurer offering a health benefit plan shall provide a method, whereby, the insured who filed the grievance, or the insured's authorized representative has the right to appear in person before the grievance panel to present written or oral information.

14. **Recommendation:** It is recommended that MAHP ensure and maintain documentation that grievants have the right to appear in person before the grievance panel in order to comply with s. Ins 18.03 (3) (a), Wis. Adm. Code.

The examiners reviewed the company's response to the IRO portion of the interrogatory, the informational material that MAHP provided to its members on the independent review process, including the amendments to its group subscriber agreements, the EOB form, the benefit denial letters, and the grievance decision letter.

The examiners found that the IRO amendment to the company's policies and certificates did not include an explanation regarding obtaining a current listing of independent review organizations (IROs). The examiners found that the provision stated that the member must exhaust all internal grievance mechanisms in order to be eligible for independent review. The provision also stated the IRO will make a determination within two business days in a standard review and within one hour in an expedited review. Section 632.835 (2) (bg) 1, Wis. Stat., requires the policy to contain a description of the independent review procedure, including an explanation of how to obtain a current listing of IROs. Section 632.835 (2) (d), Wis. Stat.,

states, that an insured is not required to exhaust the internal grievance procedures before requesting an independent review in certain situations. Section 632.835 (3), Wis. Stat., states that the IRO has 30 business days to make a decision in a standard review, and has 72 hours to make a decision in an expedited case.

15. **Recommendation:** It is recommended that MAHP submit to OCI and obtain approval of policy and certificate language that accurately describes the independent review procedure in order to comply with s. 632.835 (2), Wis. Stat.

The examiners found that the company's EOB forms and benefit denial letters did not include a statement that enrollees may have the right to an independent review. Section 632.835 (2) (bg), Wis. Stat., requires an insurer to include in its EOB form and in its other notices of adverse determinations or experimental treatment determinations a statement that the insured may have the right to an independent review after the internal grievance process and that an insured may be entitled to an expedited independent review with respect to an urgent matter.

16. **Recommendation:** It is recommended that MAHP modify its EOB form and its benefit denial letters to include all of the information on the independent review process required by s. 632.835 (2) (bg), Wis. Stat.

The examiners found that the company's grievance decision letter did not include a notice explaining that the enrollee could authorize a representative to submit an independent review request on the member's behalf, or that the \$25.00 filing fee would be refunded by MAHP if the IRO reversed the denial in whole or in part. The letter also did not include a statement informing the member that the IRO's decision was binding on MAHP and on the member. The examiners also found that the company did not have a procedure to include the informational brochure developed by the Office of the Commissioner of Insurance (OCI) with the grievance decision letter. Section Ins 18.11(2) (a), Wis. Adm. Code, requires the notice of the right to request an independent review to state, that if the insured or the insured's authorized representative prevails in the review, either in whole or in part, the \$25.00 fee will be refunded by the insurer and requires the notice to state that the IRO's determination is binding upon the

insurer and insured. Section Ins 18.11 (2) (a), Wis. Adm. Code, also requires that the notice be accompanied by the informational brochure developed by OCI, or in a form substantially similar, describing the independent review process.

17. **Recommendation:** It is recommended that MAHP modify its grievance decision letter to include a notice explaining that the enrollee can authorize a representative to submit an independent review request on the member's behalf, that the \$25 filing fee will be refunded by MAHP if the IRO reverses the denial in whole or in part, and a statement informing the member that the IRO's decision is binding on MAHP and on the member in order to comply with s. Ins 18.11 (2) (a), Wis. Adm. Code.

18. **Recommendation:** It is recommended that MAHP develop and implement procedures to ensure that its grievance resolution letter is accompanied by the OCI informational brochure, or a substantially similar form, as required by s. Ins 8.11 (2) (a), Wis. Adm. Code.

The examiners found that the company's grievance decision letter and the company's appeals/grievance procedure for commercial members listed the names and addresses of only two IROs that had been certified by OCI. The examiners found that the company's written procedures did not include a procedure to ensure that its list of certified IROs was current. Section 632.835 (2) (b), Wis. Stat., requires that an insurer provide members with a current list of certified IROs along with its notice of the right to request an independent review.

19. **Recommendation:** It is recommended that MAHP develop and implement a procedure to ensure that the list of certified IROs that it provides to members is current as required by s. 632.835 (2) (b), Wis. Stat.

The examiners found that the independent review process in the company's appeals/grievances procedure for commercial members included a procedure to notify OCI and the IRO within two business days of receipt of a request for an independent review, but did not include a procedure for forwarding the file documentation to the IRO, or to respond to the IRO's request for additional information. Section 632.835 (3) (b), Wis. Stat., requires an insurer to submit copies of all relevant documents, including any information submitted by the insured, to the IRO within five business days of receiving a request for independent review. Section 632.835 (3) (c), Wis. Stat., requires an insurer to respond to an IRO's request for additional

information within five business days. In addition, if the IRO determines that the health condition of the member requires an expedited review, s. 632.835 (3) (g), Wis. Stat., requires the insurer to provide its file within one day after receiving the request for an independent review, and to respond to a request for additional information within two business days. The independent review procedure also stated that the member must submit a \$25.00 filing fee payable to the IRO with the request for an independent review, but did not include a procedure to refund the filing fee to the member if the member prevails on the review. Section 632.835 (3) (a), Wis. Stat., requires an insurer to refund the entire amount paid by the member, or his or her authorized representative if the member prevails on the review, in whole or in part.

20. **Recommendation:** It is recommended that MAHP develop and implement procedures to forward all relevant documentation regarding an independent review request to the IRO and to respond to the IRO's request for additional information within the required timeframes as required by s. 632.835 (3), Wis. Stat.

21. **Recommendation:** It is recommended that MAHP develop and implement a procedure to refund the \$25.00 filing fee each time a member prevails, in whole or in part, on an independent review as required by s. 632.835 (3) (a), Wis. Stat.

The examiners found that the company's appeals/grievances procedure for Medicare members did not include a provision for the member to request an independent review of an adverse or an experimental treatment determination. The company's cost contract with the federal Centers for Medicare and Medicaid Services (CMS), required it to forward member appeals that involved Medicare related coverage determinations to the external review organization contracted with CMS. This requirement did not apply to appeals that involve non-Medicare related coverage determinations. Section Ins 18.11 (1), Wis. Adm. Code, requires insurers offering health benefit plans to establish independent review procedures in compliance with s. 632.835, Wis. Stat.

22. **Recommendation:** It is recommended that MAHP develop and implement a procedure to offer members enrolled in its Medicare cost contract the right to request an independent review of an adverse or experimental treatment determination in non-Medicare related coverage determinations as required by s. Ins 18.11 (1), Wis. Adm. Code.

Managed Care

Effective March 1, 2000, the market conduct requirements previously contained in s. Ins 3.48 and s. Ins 3.50, Wis. Adm. Code, were incorporated into subchapter III of ch. Ins 9, Wis. Adm. Code. Effective December 1, 2001, s. Ins 9.33, Wis. Adm. Code, was repealed and recreated as subchapter II of ch. Ins 18, Wis. Adm. Code, titled grievance procedures. This report references cites in the administrative code as currently drafted.

The examiners reviewed the company's response to the managed care interrogatory, the company's policies and procedures regarding plan administration, quality assurance and improvement, access to care, provider directories, credentialing and recredentialing, network and provider contracts, and the position description of the medical director. The company's medical director was responsible for quality assurance activities, utilization management policies, and oversight of the clinical protocols, as required by s. 609.34, Wis. Stat.

The examiners reviewed MAHP's credentialing process, MAHP's interrogatory response regarding credentialing, the credentialing policy and procedures, and the credentialing committee minutes. The company's credentialing committee was overseen by the MAHP board of directors. MAHP performed its own credentialing and recredentialing of its providers. The committee recredentials providers every two years. No exceptions were noted regarding MAHP's credentialing process.

The examiners reviewed the quality assurance process, MAHP's quality assurance program description, the quality assurance plan, the program evaluations for 2001 and 2002, and the minutes from the quality assurance committee. The examiners found that MAHP reviewed and evaluated its quality work plan annually and reported its findings to the MAHP board of directors. The examiners documented that the quality improvement committee was overseen by the board of directors. No exceptions were noted regarding MAHP's quality assurance process.

The examiners reviewed MAHP's access, the policies and procedures regarding access standards, access program evaluation, mental health/chemical dependency access standards, and examples of quarterly access reports. No exceptions were noted regarding MAHP's access standards.

The examiners reviewed MAHP's compliance plan, including its compliance with continuity of care requirements. The examiners found that MAHP's continuity of care procedures met the requirements of s. 609.24, Wis. Stat., which provides that, if the company represented that a provider was or would be a participating provider in marketing materials, it would continue to provide coverage to enrollees for services of the provider for the time periods specified.

The examiners found that MAHP did not retain copies of denied referral requests for any specified time frame. Section Ins 6.80 (4) (b), Wis. Adm. Code, requires that record of insurance company operations and other financial records reasonable related to insurance operations for the preceding 3 years shall be maintained and be available to the commissioner.

23. **Recommendation:** It is recommended that MAHP develop and implement a procedure to ensure referral requests are retained for a period of 3 years pursuant to s. Ins 6.80 (4), Wis. Adm. Code.

Marketing, Sales and Advertising

The examiners reviewed MAHP's response to the marketing, sales, advertising interrogatory and the company's advertising file. The marketing department designed and produced all material and advertisements related to sales. The company's sales department was responsible for producing leads, quoting, and sales.

The examiners reviewed the 56 advertisements in the company's advertising file. The examiners found that all of the advertisements reviewed included a form number and a notation regarding manner and extent of use.

No exceptions were noted for the marketing, sales and advertising area.

Policy Forms

A review of the company's policy forms was not within the scope of the examination. However, during the course of the examination, the examiners found that MAHP was using form numbers Grp App-IA and ENR-1 that had not been submitted to OCI for approval. The examiners also found that the company was using a form identified as "Group Contract" that did not contain the printed form number, SGCONTRACT.WI98, as originally submitted to and approved by OCI. Section 631.20, Wis. Stat., requires that all forms be filed with and approved by OCI prior to use. Section Ins 6.05 (4) (a) 4 b, Wis. Adm. Code, requires that each form include a form number.

24. **Recommendation:** It is recommended that MAHP submit to OCI and receive notice of approval of all policy forms prior to use as required by s. 631.20, Wis. Stat.

25. **Recommendation:** It is recommended that MAHP use only the form number submitted to and approved by OCI on its group contracts and other policy forms in order to document compliance with s. Ins 6.05 (4) (a) 4 b, Wis. Adm. Code.

The examiners also found that MAHP form ENR-1 did not include disclosure authorization language. Section 610.70 (2), Wis. Stat., provides that any form that is used in connection with an insurance transaction and that authorizes the disclosure of personal medical information about an individual to an insurer shall comply with all the requirements under the subsection.

26. **Recommendation:** It is recommended that MAHP ensure that all forms that authorize the disclosure of personal medical information about an individual to MAHP comply with s. 610.70 (2), Wis. Stat.

Policyholder Service and Complaints

The examiners reviewed the company's response to the policyholder service and complaints interrogatory, company complaint logs, complaint reports, and training manuals.

MAHP's policyholder service functions were provided by the health care services department, which handled case management, precertification and prior authorization requests; the member service department, which handled enrollment applications processing and member and provider calls; and the quality improvement department, which oversaw utilization management functions and coordinated HEDIS, CAHPS and NCQA requirements.

The examiners reviewed the 43 complaints included in the company's complaint log. The majority of complaints received during the period of review were regarding benefit issues. The examiners found that 17 of the complaints in the complaint log were not identified and handled as grievances, although, they met the definition of a grievance in that they were written expressions of dissatisfaction regarding claims or services. Section Ins 18.01 (4), Wis. Adm. Code, which defines a grievance as any dissatisfaction with the provision of services, or claims practices of an insurer offering a health benefit plan, or administration of a health benefit plan by the insurer that is expressed in writing to the insurer by, or on behalf of, an insured.

27. Recommendation: It is again recommended that MAHP develop and implement a procedure to identify and handle any dissatisfaction expressed in writing as a grievance pursuant to s. Ins 18.01 (4), Wis. Adm. Code.

Privacy and Confidentiality

The examiners reviewed the MAHP response to the privacy of consumer financial and health information interrogatory, privacy and confidentiality policies and procedures, the employee confidentiality agreement, privacy notice, committee meeting minutes, provider, agent, and vendor contracts, and conducted an interview with MAHP's privacy officer. Oversight of privacy and confidentiality was provided by the quality improvement committee.

The examiners found that the MAHP policy and procedures for the notice of privacy practices was created by the company in March 2003 in response to HIPAA privacy regulations. MAHP had a privacy officer with oversight of privacy, but each manager and supervisor was accountable for training, monitoring, and enforcing privacy with their department.

The examiners found that the company had a procedure that required its employees and agents to sign an annual confidentiality document. Employees received privacy and confidentiality training at the start of their employment with MAHP and ongoing training was given to all employees as needed.

The examiners found that insureds were given the privacy notice upon enrollment and MAHP sent the privacy notice to insureds annually in the member renewal packet.

No exceptions were noted regarding the privacy review.

Producer Licensing

The examiners reviewed the company's response to the producer licensing interrogatory, policies and procedures for listing producers, the appointment and commission agreement, the agent/producer application, and the group commission schedule. Effective November 2002, MAHP started listing and terminating its agents through SIRCON.

The examiners requested from MAHP a listing of all Wisconsin agents that represented the company as of the date the listing was run. The agent licensing data provided by the company was compared to the agent database maintained by OCI. The examiners found that one agent listed with MAHP did not have the proper lines of authority prior to listing. MAHP stated that it had not followed its marketing policies and procedures for verifying lines of authority to be written. The examiners reviewed MAHP's agent listing, agent database maintenance, and termination procedures, and did not find a procedure step for verifying lines of authority. Section Ins 6.57 (1), Wis. Adm. Code, requires an insurer to submit an application to the Office of the Commissioner of Insurance (OCI) on or before the date for the appointment, and to show the lines of authority being requested for that agent.

28. **Recommendation:** It is recommended that MAHP develop and implement a procedure to ensure all agents have the proper lines of authority in Wisconsin to be listed with the company prior to listing pursuant to s. Ins 6.57 (1), Wis. Adm. Code.

The examiners reviewed the agent files for all of the MAHP's active agents, which totaled 35 active agent files, and all of the agent files for the 11 agents it terminated during the period of review. The examiners found that MAHP's 11 terminated agent files did not include documentation that the terminated agents had been given notice of termination. MAHP acknowledged that it had not given termination notices to terminated agents. Section Ins 6.57 (2), Wis. Adm. Code, requires that a written notice be sent prior to or within 15 days of filing the

termination notice with the Office of the Commissioner of Insurance (OCI). This notice shall also include a formal demand for the return of all indicia of agency. MAHP states that the agent is no longer to be listed as a representative.

29. Recommendation: It is recommended that MAHP develop and implement process including a written procedure to ensure letters of termination are sent to terminated agents as required by s. Ins 6.57 (2), Wis. Adm. Code.

Small Employer

The examiners reviewed the company's response to the small employer interrogatory, underwriting procedures, participation requirements, mandated notices, renewal system, and quoting system.

The examiners reviewed a random sample of 47 small employer quoted files. The company did not provide three requested files. The company stated that it did not retain small employer quoted files for a period of three years. Section Ins. 6.80(4), Wis. Adm. Code, provides that domestic insurers must keep records of insurance company operations and other financial records for the preceding 3 years.

- 30. Recommendation:** It is recommended that MAHP develop and implement a process for maintaining small employer quotes for three years in order to comply with s. Ins 6.80 (4), Wis. Adm. Code.

The examiners reviewed the company's 44 small employer issued files for 2001 and 2002. The examiners found 40 of the small employer issued files included insurance company applications, medical questionnaires and waiver forms that were developed by and identified other insurance companies, but that MAHP accepted from its agents. Section 631.20, Wis. Stat., requires each insurer to obtain approval of all forms to be used in Wisconsin.

- 31. Recommendation:** It is recommended that MAHP discontinue using forms developed by other insurance companies, and send to its listed agents within 90 days of the adoption of this examination report a notice that agents are to discontinue the use of other insurance company forms and use only forms that are approved by OCI for use by MAHP in order to comply with s. 631.20, Wis. Stat.

The examiners reviewed a random sample of 44 small employer issued files. The examiners found that MAHP did not include in the 44 issued files reviewed documentation that it had provided to the small employers the disclosure of rating factors and renewability. The company stated that it began using its form, number SG Disclosure 0801, in January 2003. Section 635.11, Wis. Stat., requires small employer insurers to disclose rating factors and

renewability information to a small employer prior to the sale of a policy and defines the information required to be disclosed.

- 32. Recommendation:** It is recommended that MAHP ensure that it provide to small employers disclosure of rating factors and renewability provisions as required by s. 635.11, Wis. Stat.

The examiners found that the 44 small employer issued files did not contain a loss protection disclosure form. The company acknowledged that it was not compliant with s. Ins 8.44 (2), Wis. Adm. Code. Section Ins 8.44 (2), Wis. Adm. Code, states that a small employer shall notify each employer in writing when a policy is issued, if the employer employs less than 2 or more than 25 eligible employees during at least 50% of the number of weeks the employer was actively engaged in the business enterprise during the 12 months preceding the date of application, or the policy renewal date that protections provided Chapter 635, Wis. Stat will cease to exist.

- 33. Recommendation:** It is recommended that MAHP file with OCI within 90 days of the adoption of the examination report a copy of its loss protection form that is compliant with s. Ins 8.44 (2), Wis. Adm. Code.

- 34. Recommendation:** It is recommended that MAHP ensure that its files contain documentation that loss protection disclosure forms are provided to small employers upon issuance or renewal of a policy, in order to comply with s. Ins 8.44 (2), Wis. Adm. Code.

The examiners found that 16 small employer issued files did not contain waiver forms. Section Ins 8.65, Wis. Adm. Code, states that a small employer insurer shall require small employers to provide documentation to establish that waivers of coverage are voluntary and permitted. The waiver form should include a certification that the individual who declined coverage was informed of the availability of coverage under the policy, that the reason for declining coverage was stated, and a written warning of the consequences which may be imposed on late enrollees.

- 35. Recommendation:** It is recommended that MAHP ensure that waiver of coverage forms are completed and kept on file for employees that waive coverage in order to document compliance with s. Ins 8.65, Wis. Adm. Code.

The examiners found that three small employer issued files did not include documentation that MAHP obtained a complete list of eligible employees and dependents of eligible employees. The files also did not include supporting documentation such as the state unemployment or worker's compensation quarterly reporting form. Section Ins 8.65 (1), Wis. Adm. Code, requires a small employer insurer to require a small employer to provide a complete list of eligible employees and dependents of eligible employees.

36. Recommendation: It is recommended that MAHP obtain from small group employers and maintain a copy of a complete list of the eligible employees and their dependents in order to document compliance with s. Ins 8.65 (1), Wis. Adm. Code.

The examiners documented that the company filed with OCI actuarial certification of its 2002 rating practices as required by s. 635.13, Wis. Stat., and s. Ins 8.56, Wis. Adm. Code. The company stated that it relies on an outside actuarial firm to review its premium rates and rating methodology.

Company Operations/Management

The examiners reviewed the company's response to the company operations and management interrogatory, network, provider and administrative service agreements, and meeting minutes for the board of directors.

The examiners found that language in the participating provider agreements, the ChiroTech America, Inc. (ChiroTech) agreement and the Express Scripts, Inc. (F.K.A. Diversified Pharmaceutical Services, Inc.), agreement regarding complaints and grievances was not consistent with that required by ch. Ins 18, Wis. Adm. Code. Section Ins 18.03, (2) (c) 1, a, Wis. Adm. Code, requires an insurer offering a managed care plan to include in each contract between it and its providers, provider networks, and within each agreement governing the administration of provider services, a provision that requires the contracting entity to promptly respond to complaints and grievances filed with the insurer to facilitate resolution. Section Ins 8.03, (2) (c) 1, b, Wis. Adm. Code, requires an insurer offering a managed care plan to require contracted entities that subcontract for the provision of services, including subcontracts with health care providers, to incorporate within their contracts a requirement that the providers promptly respond to complaints and grievances filed with the insurer to facilitate resolution.

37. Recommendation: It is recommended that MAHP include in each contract between it and its providers, provider networks, and within each agreement with providers language compliant with s. Ins 18.03 (2) (c) 1, a & b, Wis. Adm. Code.

MAHP had an administrative agreement with ChiroTech to process chiropractic claims for network providers. It contracted with Express Scripts for the handling of pharmacy claims. The examiners found that MAHP did not perform, nor did its administrative agreements with ChiroTech or Express Scripts, Inc., provide that it would regularly audit, monitor, or supervise vendors' activities on MAHP's behalf. The examiners also found that MAHP did not have a compliance program for auditing or oversight of ChiroTech or Express Scripts. Section Ins 9.42 (4), Wis. Adm. Code, requires an insurer that materially relies upon another party to carry out functions under ss. 609.22, 609.24, 609.30, 609.32, 609.34, 609.36 and 609.83, Wis.

Stat., to include those responsibilities in the contract. Section Ins 9.42 (4) (f), Wis. Adm. Code, requires all insurers writing managed care plans, and that materially relies upon another party to carry out functions under ss. 609.22, 609.24, 609.30, 609.32, 609.34, 609.36 and 609.83, Wis. Stat., to regularly audit compliance with contract provisions including audits of internal working papers and reports. Section Ins 9.42 (1), Wis. Adm. Code, provides that all insurers writing managed care plans and preferred provider plans to be responsible for having a compliance plan in place for ss.609.22, 609.24, 609.30, 609.32, 609.34, 609.36 and 632.83, Wis. Stats., including s. Ins 9.42, Wis. Adm. Code, and other applicable sections including, but not limited to s. Ins 9.07, Wis. Adm. Code.

38. **Recommendation:** It is recommended that MAHP include in each administrative service agreement with other parties that MAHP materially relies upon to carry out functions under ss. 609.22, 609.24, 609.30, 609.32, 609.34, 609.36 and 609.83, Wis. Stat., language that allows MAHP to audit for compliance in order to document compliance with s. Ins 9.42 (4), Wis. Adm. Code.

39. **Recommendation:** It is recommended that MAHP develop and implement a program to regularly audit other parties that are contractually responsible for carrying out functions under ss. 609.22, 609.24, 609.30, 609.32, 609.34, 609.36 and 609.83, Wis. Stat. , as required by s. Ins 9.42 (4) (f), Wis. Adm. Code.

40. **Recommendation:** It is recommended that MAHP develop and implement a compliance program that meets the requirements of s. Ins 9.42, Wis. Adm. Code.

The examiners' review of MAHP's small employer underwriting and marketing functions indicated that the company did not exercise sufficient oversight over this activity that resulted in it accepting other insurance company application, questionnaire, and waiver forms, and failing to obtain notice and disclosure forms required by small employer regulations.

41. **Recommendation:** It is recommended that MAHP develop and institute a plan at the management level for supervising the activities associated with the marketing and underwriting of its small employer business in order to ensure compliance with ch. 35, Wis. Stat., and ch. Ins 8, subch. III, Wis. Adm. Code.

V. CONCLUSION

The examiners found that MAHP complied with 17 of the 19 recommendations from the previous managed care desk audit and the market conduct examination. This examination resulted in a total of 41 recommendations in the areas of claims, managed care, grievances and IRO, small employer, electronic commerce, policy forms, policyholder service and complaints, producer licensing, and company operations and management. This examination also includes recommendations requiring that the company develop a compliance plan regarding its managed care activities and a plan for oversight of its small employer activities.

VI. SUMMARY OF RECOMMENDATIONS

Claims

- Page 10 1. It is recommended that MAHP develop and implement a procedure for identifying claims not paid within 30 days after receipt, and for paying interest on these claims in order to comply with s. 628.46, Wis. Stat.
- Page 10 2. It is recommended that MAHP provide OCI with a report within 90 days of the adoption of this examination report, identifying claims not paid within 30 days of receipt and documentation that interest has been paid on the claims processed from January 1, 2001 forward, in order to document compliance with s. 628.46, Wis. Stat.
- Page 11 3. It is recommended that MAHP develop and put into use an explanation of benefits (EOB) form that includes: a statement as to whether payment accompanies the form; payment has been made to the health care provider or payment has been denied; the CPT-4, HCPCS or CDT-1 code; the total deductible amount remaining for the policy period; the total out-of-pocket amount remaining for the policy period; the remaining amount of the policy's lifetime limit; and the annual benefit amount to comply with s. Ins 3.651 (4), Wis. Adm. Code.
- Page 11 4. It is recommended that MAHP develop and put into use a new remittance advice form that includes the insurer's name; address; and telephone number of a section of the insurer designated to handle questions and appeals from health care providers; the insured's name and policy number, certificate number or both; and the coinsurance amount, in order to document compliance with s. Ins 3.651 (3), Wis. Adm. Code.
- Page 11 5. It is recommended that MAHP develop and implement a process and written procedure for providing an insured with the amount allowable for a specific procedure in order to comply with s. Ins 3.60 (6) (a) 2, Wis. Adm. Code.
- Page 12 6. It is recommended that MAHP develop and implement a process to ensure it uses the current version of ANSI codes published by OCI, in order to document compliance with s. Ins 3.651 (5), Wis. Adm. Code.
- Page 13 7. It is recommended that MAHP develop and implement a process including written procedures for the independent review of chiropractor claim denials in order to document compliance with s. 632.875, Wis. Stat.
- Page 13 8. It is recommended that MAHP file with OCI, within 90 days of the adoption of the examination report, a report identifying denied chiropractic claims and documenting that claims from January 1, 2001 forward were subject to independent evaluation by a chiropractor or chiropractic peer review committee in order to document compliance with s. 632.87(3)(b), Wis. Stat.

Electronic Commerce

- Page 15 9. It is recommended that MAHP develop and implement a process for identifying company advertisements on the Internet, and for monitoring agent websites to ensure that all advertisements used by agents are approved by the company, are included in the company's advertising file and are compliant with s. Ins 3.27, Wis. Adm. Code.
- Page 15 10. It is recommended that MAHP include in its agent and agency agreements language that requires the Internet and website advertisements be submitted to the company for approval prior to use in order to comply with s. Ins 3.27 (27), Wis. Adm. Code.

Grievance and IRO

- Page 16 11. It is recommended that MAHP ensure and maintain documentation that each grievant is sent a written notification of the time and place of the grievance meeting in order to comply with s. Ins 18.03 (3) (b), Wis. Adm. Code.
- Page 16 12. It is recommended that MAHP ensure and maintain documentation that grievants are sent a written acknowledgement confirming receipt of the grievance in order to comply with s. Ins 18.03 (4), Wis. Adm. Code.
- Page 17 13. It is recommended that MAHP ensure and maintain documentation that all grievances are resolved within 30 days of receipt of the grievance, or that a letter of extension is sent to the insured or the insured's representative in order to comply with s. Ins 18.03 (6), Wis. Adm. Code.
- Page 17 14. It is recommended that MAHP ensure and maintain documentation that grievants have the right to appear in person before the grievance panel in order to comply with s. Ins 18.03 (3) (a), Wis. Adm. Code.
- Page 18 15. It is recommended that MAHP submit to OCI and obtain approval of policy and certificate language that accurately describes the independent review procedure in order to comply with s. 632.835 (2), Wis. Stat
- Page 18 16. It is recommended that MAHP modify its EOB form and its benefit denial letters to include all of the information on the independent review process required by s. 632.835 (2) (bg), Wis. Stat.
- Page 19 17. It is recommended that MAHP modify its grievance decision letter to include a notice explaining that the enrollee can authorize a representative to submit an independent review request on the member's behalf, that the \$25 filing fee will be refunded by MAHP if the IRO reverses the denial in whole or in part, and a statement informing the member that the IRO's decision is binding on MAHP and on the member in order to comply with s. Ins 18.11 (2) (a), Wis. Adm. Code.

- Page 19 18. It is recommended that MAHP develop and implement procedures to ensure that its grievance resolution letter is accompanied by the OCI informational brochure, or a substantially similar form, as required by s. Ins 18.11 (2) (a), Wis. Adm. Code
- Page 19 19. It is recommended that MAHP develop and implement a procedure to ensure that the list of certified IROs that it provides to members is current as required by s. 632.835 (2) (b), Wis. Stat.
- Page 20 20. It is recommended that MAHP develop and implement procedures to forward all relevant documentation regarding an independent review request to the IRO and to respond to the IRO's request for additional information within the required timeframes as required by s. 632.835 (3), Wis. Stat.
- Page 20 21. It is recommended that MAHP develop and implement a procedure to refund the \$25.00 filing fee each time a member prevails, in whole or in part, on an independent review as required by s. 632.835 (3) (a), Wis. Stat
- Page 20 22. It is recommended that MAHP develop and implement a procedure to offer members enrolled in its Medicare cost contract the right to request an independent review of an adverse or experimental treatment determination in non-Medicare related coverage determinations as required by s. Ins 18.11 (1), Wis. Adm. Code

Managed Care

- Page 22 23. It is recommended that MAHP develop and implement a procedure to ensure referral requests are retained for a period of 3 years pursuant to s. Ins 6.80 (4), Wis. Adm. Code

Policy Forms

- Page 24 24. It is recommended that MAHP submit to OCI and receive notice of approval of all policy forms prior to use as required by s. 631.20, Wis. Stat.
- Page 24 25. It is recommended that MAHP use only the form number submitted to and approved by OCI on its group contracts and other policy forms in order to document compliance with s. Ins 6.05 (4) (a) 4 b, Wis. Adm. Code.
- Page 24 26. It is recommended that MAHP ensure that all forms that authorize the disclosure of personal medical information about an individual to MAHP comply with s. 610.70 (2), Wis. Stat.

Policyholder Service and Complaints

- Page 25 27. It is again recommended that MAHP develop and implement a procedure to identify and handle any dissatisfaction expressed in writing as a grievance pursuant to s. Ins 18.01 (4), Wis. Adm. Code.

Producer Licensing

- Page 27 28. It is recommended that MAHP develop and implement a procedure to ensure all agents have the proper lines of authority in Wisconsin to be listed with the company prior to listing pursuant to s. Ins 6.57 (1), Wis. Adm. Code.
- Page 28 29. It is recommended that MAHP develop and implement process including a written procedure to ensure letters of termination are sent to terminated agents as required by s. Ins 6.57 (2), Wis. Adm. Code.

Small Employer

- Page 29 30. It is recommended that MAHP develop and implement a process for maintaining small employer quotes for three years in order to comply with s. Ins 6.80 (4), Wis. Adm. Code.
- Page 29 31. It is recommended that MAHP discontinue using forms developed by other insurance companies, and send to its listed agents within 90 days of the adoption of this examination report a notice that they are to discontinue the use of other insurance company forms and use only forms that are approved by OCI in order to comply with s. 631.20, Wis. Stat.
- Page 30 32. It is recommended that MAHP ensure that it provide to small employers disclosure of rating factors and renewability provisions as required by s. 635.11, Wis. Stat.
- Page 30 33. It is recommended that MAHP file with OCI within 90 days of the adoption of the examination report a copy of its loss protection form that is compliant with s. Ins 8.44 (2), Wis. Adm. Code.
- Page 30 34. It is recommended that MAHP ensure that its files contain documentation that loss protection disclosure forms are provided to small employers upon issuance or renewal of a policy, in order to comply with s. Ins 8.44 (2), Wis. Adm. Code.
- Page 30 35. It is recommended that MAHP ensure that waiver of coverage forms are completed and kept on file for employees that waive coverage in order to document compliance with s. Ins 8.65, Wis. Adm. Code.
- Page 31 36. It is recommended that MAHP obtain from small group employers and maintain a copy of a complete list of the eligible employees and their dependents in order to comply with s. Ins 8.65 (1), Wis. Adm. Code.

Company Operations/Management

- Page 32 37. It is recommended that MAHP include in each contract between it and its providers, provider networks, and within each agreement with providers language compliant with ss. Ins 18.03 (2) (c) 1, a & b, Wis. Adm. Code.

- Page 33 38. It is recommended that MAHP include in each administrative service agreement with other parties that MAHP materially relies upon to carry out functions under ss. 609.22, 609.24, 609.30, 609.32, 609.34, 609.36 and 609.83, Wis. Stat. language that allows MAHP to audit for compliance in order to document compliance with s. Ins 9.42 (4), Wis. Adm. Code.
- Page 33 39. It is recommended that MAHP develop and implement a regular program to audit other parties that are contractually responsible for carrying out functions under ss. 609.22, 609.24, 609.30, 609.32, 609.34, 609.36 and 609.83, Wis. Stat. , as required by s. Ins 9.42 (4) (f), Wis. Adm. Code.
- Page 33 40. It is recommended that MAHP develop and implement a compliance program that meets the requirements of s. Ins 9.42, Wis. Adm. Code.
- Page 33 41. It is recommended that MAHP develop and institute a plan at the management level for supervising the activities associated with the marketing and underwriting of its small employer business in order to ensure compliance with Ch. 35, Wis. Stat., and Ch. Ins 8, subch. III, Wis. Adm. Code.

VII. ACKNOWLEDGEMENT

The courtesy and cooperation extended to the examiners during the course of the examination by the officers and employees of the company is acknowledged.

In addition, to the undersigned, the following representatives of the Office of the Commissioner of Insurance (OCI), State of Wisconsin, participated in the examination.

<u>Name</u>	<u>Title</u>
Linda Low	Insurance Examiner
Ken Hendree	Insurance Examiner
Barbara Belling	Insurance Examiner - Advanced
Jo LeDuc, CIE	Insurance Examiner - Advanced
Diane Dambach	Accident and Health Section Chief

Respectfully submitted,

Marcia Zimmer, MHP, HIA, AIRC, ACS, AIE
Examiner-in-Charge