Notice of Adoption and Filing of Examination Report

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

WEA Insurance Corporation
Madison, Wisconsin 53713-3959

dated October 6-13, 1997, and served upon the company on July 7, 1998, 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 25th day of August, 1998.

Randy Blumer
Commissioner of Insurance

WEA INSURANCE CORPORATION
WAUSAU, WISCONSIN

October 6-13, 1997

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November 14, 1997

Honorable Randy Blumer
Commissioner of Insurance
121 East Wilson Street
Madison, WI 53702

Commissioner:

A market conduct examination was made October 6, 1997, of WEA Insurance Corporation (WEAIC), 45 Nob Hill Road, Madison, Wisconsin 53713-3959.

I. INTRODUCTION

The WEA Insurance Trust provided insurance coverage in the states of Wisconsin, Idaho, Iowa, and South Dakota beginning in 1970, on the basis that it was an ERISA-regulated employe welfare benefit plan, and not subject to state regulation as an insurance company. In 1983, the U.S. Department of Labor issued a ruling in which it determined that the trust was an ERISA-regulated employe welfare benefit plan. However, after the Iowa Insurance Department began administrative proceedings in 1984 to determine whether the trust was exempt from state regulation, and after the U.S. Department of Labor reversed its earlier ruling with respect to the trust's ERISA status in January 1985, WEAIC was incorporated in Wisconsin on May 28, 1985, as the WEAIT Insurance Corporation for the purpose of providing insurance benefits to members of the Wisconsin Education Association Council (WEAC), an unincorporated labor organization. The current name was adopted in 1991. WEAIC is licensed as a stock life insurance company under ch. 611, Wis. Stat., controlled by its shareholder, WEA Insurance Trust (WEAIT). WEAIC is licensed in Idaho, Iowa, South Dakota, and Wisconsin, but discontinued writing business in states other than Wisconsin in 1991.

WEAIC's market is limited to public school districts with at least one bargaining unit affiliated with the Wisconsin Education Association Council (WEAC). The company's group accident and health products include medical, dental, drug, long-term disability, and long-term care plans. Beginning January 1, 1992, WEAIC began offering participants a preferred provider plan (PPO) through the statewide WEA Provider Network. The total direct Wisconsin premium written in 1995 was $241,311,430 and $257,226,586 in 1996. In 1996, WEAIC ranked as the number four writer of group accident and health coverage in Wisconsin with 6.4% of the market.

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II. PURPOSE AND SCOPE

This was the first examination of WEAIC by the Market Regulation Bureau. The examination was conducted to determine whether the company's practices and procedures comply with Wisconsin insurance statutes and rules. The examination consisted of a review of certain targeted business practices and procedures related to the company's group and accident insurance products in the following areas for the period, January 1, 1996, to June 30, 1997:

New Business and Underwriting Procedures
Sales and Advertising
Agent Records
Policyholder Services
Complaints and Grievances
Terminations, Nonrenewals, and Cancellations
Claims Administration
Policy Forms

There were no apparent complaint patterns which affected the planning of this examination. The company was not on OCI's above average complaint list for group health insurance. It had .03 complaints per $100,000 of written premium, while the Wisconsin average was .07 complaints per $100,000 of written premium for all group accident and health insurance business in the state.

During 1996, the Office of the Commissioner of Insurance (OCI) received 80 complaints against the company. As of July 31, 1997, 41 complaints have been received against this company. In addition, the total number of complaints received in 1996 decreased by 3 from the number of complaints received in 1995.

The company received the majority of its complaints in group accident and health coverage. The majority of complaints in the "other" category for both 1996 and 1997 concerned usual and customary and medically necessary issues.

WEAIC reported 1 grievance in 1995 and 0 grievances in 1996 in its annual grievance experience report for its preferred provider business.

Summary of Complaints

Complaints 1996 Coverage	Total		Underwriting		Claims		Other	
	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total
Group Accident & Health	73	91	2	100	27	84	44	96
Disability Income	3	4	0	0	3	9		0
Dental	4	5	0	0	2	7	2	4
Total	80		2		32		46	

Complaints 1/1/97-7/31/97 Coverage	Total		Underwriting		Claims		Other	
	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total
Group Accident & Health	39	95	0	0	15	88	24	100
Disability Income	2	5	0	0	2	12	0	0
Total	41		0		17		24	

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III. NEW BUSINESS AND UNDERWRITING

The examiners learned that 72% of eligible school districts participate in a WEA insurance health plan. There are approximately 47,000 medical plan subscribers and 42,000 dental plan subscribers. The total number of subscribers to all coverages offered is approximately 175,000.

WEAIC offers four types of major medical plans with various copayments, deductibles, and preauthorization requirements. The company also has negotiated fee agreements with a statewide network of hospitals and physicians who have agreed to accept WEAIC's

reasonable and customary fees as full payment.

WEAIC's new business underwriting criteria is essentially limited to minimum participation, employer contribution, and eligible class requirements. The company stated to the examiners that it has never rejected a group for coverage. The company does require evidence of insurability for late applicants who apply for dental, long-term care, and long-term disability coverage. Evidence of insurability is always required of spouses applying for WEAIC's long-term care plan. The examiners reviewed the company's new business and underwriting procedures. No exceptions were noted. The examiners also reviewed the company's underwriting guidelines relating to Acquired Immunodeficiency Syndrome (AIDS). The guidelines comply with s. Ins 3.53, Wis. Adm. Code, and s. 631.90, Wis. Stat.

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IV. SALES AND ADVERTISING

WEAIC's insurance products are marketed by salaried field representatives assigned to specific school districts throughout the state. Each field representative is assigned approximately 70 school employer clients. The coverage written is determined by collective bargaining agreements between local teacher unions and individual school boards. Field representatives work closely with union leaders and district officials to assess the coverage needs and requirements of new groups and to maintain and add to the coverage of existing groups. The majority of sales are made as a result of these contracts, although some requests for a group plan proposal come directly from school employers and consultants representing school employers and union groups.

Field representatives may submit oral or written requests for a proposal for a particular group. The actual proposal presented to the school employer is prepared by an internal field staff person. Most school groups are pool rated and those rates are obtained from computer software designed to produce those rates. Experience-rated groups are referred to an actuary for rate calculation. If the proposal is accepted, an application to participate in the WEA Insurance Trust is executed and signed by the school employer and the field representative.

WEAIC has developed and continues to maintain a strong relationship with union leaders throughout the state and publishes a regular newsletter for union representatives to advise them of changes or enhancements to existing plans and new coverage offerings. These newsletters were not kept in the advertising files. WEAIC also recently established an advisory group made up of local union leaders and WEAIC personnel to discuss insurance-related issues. The company produces a similar newsletter for school district business officials.

WEAIC has no formal advertising department and does not do media advertising except for a limited number of advertisements placed in the WEAC statewide newspaper. It does maintain an advertising file for these and for all of the product brochures used by field representatives in marketing the various plans to school employer groups. Some of these same brochures are also used after a group is placed to help explain how a particular plan works and the benefits available. The examiners reviewed 25 advertising pieces, most of which were specific product brochures and noted the following exceptions:

1. The following brochures, used by field representatives, prior to a sale to help explain the key features of the health plan, constitute "invitations to apply" under s. Ins 3.27 (5) (g), Wis. Adm. Code 2462-710-0697 "The Ins and Outs of Using Your Managed Cost Plan; 1669-710-0597 "The Ins and Outs of Using Your WEA Point of Service Plan; 2582-710-0697 "The Ins and Outs of Your WEA Insurance Group Health Plan (United Preferred)"; 2478-710-0197 "The Ins and Outs of Using Your WEA Point of Service Plan (Humana Network)"; 2476-710-0597 "The Ins and Outs of Using your WEA Point of Service Plan (Dean)"; 2477-710-0597 "The Ins and Outs of Using Your WEA Point of Service Plan (Gundersen Lutheran)"; 2474-691-0795 "Point of Service Health Plan"; 2450-691-0395 "Managed Cost Health Plan"; 2426-694-0495 "Group Long Term Disability"; 2475-691-0795 "WEACARE Lifetime Protection Package"; 2297-693-0796 "Group Dental Plan"; and 2296-061-0791 "WEA Insurance Comprehensive Health Benefit Plan." The brochures do not disclose policy exceptions, reductions, and limitations as required by s. Ins 3.27 (10), Wis. Adm. Code, although the advertisements specifically reference the benefits or cost of the policy.

2. Brochures 2582-710-0697, 2478-710-0197, 2476-710-0597, 2477-710-0597, and 2474-691-0795 were provided to the examiners as part of the sales and marketing interrogatory responses but the brochures were not kept in the advertising file as required by s. Ins 3.27 (28), Wis. Adm. Code. Additionally, the WEAIC produced newsletters for union representatives and school district business officials are advertisements as defined by s. Ins 3.27 (5), Wis. Adm. Code, and should be included in the company's advertising file.

3. None of the advertisements in the file contain an explanation of the manner and extent of distribution of the advertisement or a copy of each policy, amendment, rider, or endorsement form advertised as required by s. Ins 3.27 (28), Wis. Adm. Code.

Based on the examiners' review of WEAIC's advertising file, it is recommended that WEAIC:

1. Revise all advertisements that meet the definition of "invitation to apply" under s. Ins 3.27 (5) (g), Wis. Adm. Code, and specifically reference the dollar amount of benefits payable, period of time for which the benefit is payable, cost of the policy, specific policy benefit, or the loss for which such benefit is payable, to disclose the exceptions, limitations, and limitations of the coverage as required by s. Ins 3.27 (10), Wis. Adm. Code.

2. Develop and implement procedures to ensure that all advertisements, including the WEAIC produced newsletters for union representatives and school district business officials are maintained in the advertising file as required by s. Ins 3.27 (28), Wis. Adm. Code.

3. Attach a notation to each advertisement in the advertising file indicating the manner and extent of distribution, as required by s. Ins 3.27 (28), Wis. Adm. Code.

4. Include with each advertisement in the advertising file a copy of each policy, amendment, rider, or endorsement form advertised, as required by s. Ins 3.27 (28), Wis. Adm. Code.

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V. AGENTS

WEA uses 8 salaried field representatives and field executives to market its insurance plans. There are also 3 other employes licensed as agents. Field representatives are usually recruited by an internal process using job postings and advertisements in the WEAC newspaper. The company has an extensive training program for its field representatives. Representatives receive training regarding the various benefit plans, underwriting guidelines, claims procedures, and billing operations. New representatives are mentored by more experienced representatives and make their initial sales presentations under the guidance of senior representatives. The turnover rate of field representatives is very low and only one agent voluntarily terminated employment during the period of review.

Allegations of agent misconduct or misrepresentation are handled by the executive vice president of field services and the investigation of such allegations includes contacting all individuals involved. A report of the allegations, investigative findings, and disposition of the allegations is placed in the personnel file of the agent. If the allegations are made in a complaint to OCI, the matter is referred to the general counsel who is responsible for handling all OCI complaints.

Because of the small number of agents employed to actively market WEAIC's plans, the company does not have formalized written procedures for the listing and termination of its field representatives with OCI. Agents are listed and fees are paid through the secretary of the executive vice president of field services. A file is maintained for each active agent and includes a copy of the agent's license, a copy of the OCI 11-001 listing form, and the OCI validation report. Terminated agent files are maintained by the company's human resources department.

The examiners reviewed all active agent files for compliance with the requirements of s. 628.11, Wis. Stat., and s. Ins 6.57, Wis. Adm. Code. Listing and OCI validation documentation for several agents could not be found in the agent files, but the company was able to subsequently locate these items. No exceptions were noted.

The examiners reviewed the file of the agent who voluntarily terminated her employment during the period of review and noted the following exception:

1. The file did not contain evidence that a written notice of termination was provided to the agent formally requesting the return of all indicia of agency as required by s. Ins 6.57 (2), Wis. Adm. Code.

Based on the examiners' review of WEAIC's agent listing and termination procedures and agent files, it is recommended that:

1. WEAIC develop formal written procedures for the listing and termination of agents that complies with all of the requirements of s. 628.11, Wis. Stat., and s. Ins 6.57, Wis. Adm. Code.

2. Establish procedures to ensure that terminated agents are given a written notice of termination which includes a formal request for the return of all indicia of agency as required by s. Ins 6.57 (2), Wis. Adm. Code.

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VI. COMPLAINTS AND POLICYHOLDER SERVICES

WEAIC sorts complaints into three categories:

1. OCI complaints,

2. Complaints involving a participant's request for an appeal of a claim denial decision, and

3. Complaints involving a participant's dissatisfaction with a group health policy.

OCI complaints are referred to the general counsel's office for investigation and response. A separate log is maintained for these complaints. A summary of OCI complaints are prepared bimonthly for review by management and executive staff as well as the board of directors. Statistical reports of complaints are prepared twice a year.

All of WEAIC's group health insurance plans include information regarding the participant's right to appeal a claim denial decision. An appeal form must be completed within 60 days of the final claim determination letter. All appeals are sent to the chief executive officer who appoints an executive or managerial staff designee to investigate the appeal and prepare an appeal file for the appeals committee. The committee consists of three educators who are members of the WEA insurance board of directors. The committee meets every six weeks to consider appeals and the participant has the right to attend this meeting. A written decision of the appeals committee determination is issued after the meeting. Summaries and statistical reports of appeals are also prepared and reviewed on a bimonthly and twice yearly basis. The company received 40 appeals in 1996 and 14 appeals through July 1997.

Complaints involving participant dissatisfaction with an insurance plan are initially handled by a customer service representative. If resolution is not reached at this level, the complaint is referred to a supervisor and, ultimately, to the customer service manager. If the complaint cannot be resolved at this level, participants are advised of their appeal rights and right to file a complaint with OCI. If the complaint involves a point of service subscriber, they are advised of the grievance procedure. Complaint logs are maintained for all categories of complaints and a separate log is maintained for point of service plan subscriber complaints. The examiners reviewed the company's complaint logs and statistical reports of all complaint activity, including OCI complaints. Individual complaint files were not reviewed.

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VII. GRIEVANCES

WEAIC has a comprehensive internal grievance procedure for its point of service plan. The company defines a grievance as, "any dissatisfaction with the administration of claims practices of or provision of services by a preferred provider plan which is expressed in writing by or on behalf of an enrollee." Grievances are date stamped upon receipt and referred to the ombudsperson or her designee for review. The ombudsperson sends an acknowledgment letter within 5 days of the date the grievance is received and begins the investigation of the grievance. Enclosed with the acknowledgment letter is a copy of the grievance procedure. Following the investigation of the grievance, the ombudsperson

contacts the subscriber with a proposed resolution. If the subscriber is satisfied with the proposed resolution, a letter of resolution is sent to the subscriber. If the subscriber is not satisfied with the ombudsperson's proposed resolution or response, the ombudsperson schedules a grievance committee hearing date within 30 days of receiving the grievance and advises the subscriber in writing of the time and place of the hearing 7 days prior to the hearing.

The grievance committee consists of a WEAIC employe appointed as chairperson by the president, a company representative designated on a rotating basis, and a volunteer plan participant, when available. After the committee meeting, the chairperson sends a grievance disposition letter to the subscriber within 5 days. The company has standardized letters to communicate with the subscriber at each step of the process. Grievances are tracked on a spreadsheet and periodically reviewed by the ombudsperson for patterns.

WEAIC informed the examiners that the committee did not meet during the period of review. WEAIC reported no grievances in its 1996 annual grievance experience report to OCI. As a result of an internal audit of grievances in April 1997, the company determined that it was not properly recording written complaints as grievances. The company retroactively identified 8 written complaints received in 1996 that should have been identified as grievances. The company has received 6 grievances in 1997.

The examiners reviewed 14 grievance files and noted the following exceptions:

1. The files of 8 grievances received in 1996 and 1 grievance received in 1997 did not include documentation that the company had advised the subscriber of his or her right to appear before the grievance committee pursuant to the requirements of s. Ins 3.48 (7) (d), Wis. Adm. Code.

2. The file of 1 grievance received in 1996 did not include documentation showing the disposition of the grievance. The company reported that the subscriber was advised of the disposition by telephone.

3. Three grievances received in 1996 were not date stamped and the examiners were unable to determine if the grievance was resolved within 30 days as required by s. Ins 3.48 (7) (c), Wis. Adm. Code. The company reported that these grievances were collected by an unknown person and given to a member of the WEA board of directors. The grievances were then referred directly to the customer services manager by passing the normal date stamp process.

4. Three of the 1997 grievances were not resolved in the subscriber's favor but the grievances were not scheduled for grievance committee hearing as required by s. Ins 3.48 (7) (d), Wis. Adm. Code, and s. 609.15 (2), Wis. Stat. The company reported that two of the grievants were satisfied with the ombudperson's initial response, although this is not documented in the files, and the third grievant was offered the right to an appeal hearing instead.

Based on the examiners' review of WEAIC's grievance procedure and 1996-97 grievance files, and acknowledging that as of April 1997, WEAIC has implemented new procedures to address the deficiencies noted in exceptions 1-3, it is recommended that the company:

1. Periodically reaudit the grievance procedure process to ensure consistent compliance

with all of the requirements of s. Ins 3.48, Wis. Adm. Code.

2. Revise its procedures to ensure that all grievances that have not been resolved in the grievant's favor by the ombudsperson, be scheduled for the grievance committee hearing pursuant to the requirements of s. Ins 3.48 (7) (d), Wis. Adm. Code, and s. 609.15 (2), Wis. Stat.

The point of service (POS) plan has been sold to 30 groups and there are currently approximately 7,483 subscribers. WEAIC has vendor agreements with the following entities to provide health care services under a preferred provider arrangement to POS plan subscribers:

Humana Wisconsin Health Organization Insurance Corporation
St. Mary's/Dean Ventures Inc.
United Health of Wisconsin
Gundersen Clinic LTD.
CNR Health Inc. (behavioral health services only)
UHC Management CompanyInc.,/United Resource Networks (transplant services only)

The examiners reviewed the vendor agreements and noted the following exception:

1. The agreements provide that WEAIC shall respond to complaints and inquiries from members but the agreements do not specifically require that the provider must promptly forward all complaints and grievances to WEAIC for recording and resolution pursuant to the requirements of s. Ins 3.48 (7) (f) 2, Wis. Adm. Code.

Based on the examiners' review of WEAIC's provider agreements for the delivery of health care services under a preferred provider arrangement, it is recommended that the company:

1. Revise its provider agreements with Humana Wisconsin Health Corporation, St. Mary's/Dean Ventures Inc., United Health of Wisconsin, Gundersen Clinic LTD., CNR Health Inc., and UHC Management Company Inc.,/United Resource Networks to require providers to promptly forward all complaints and grievances they receive to WEAIC for recording and resolution pursuant to the requirements of s. Ins 3.48 (7) (f) 2, Wis. Adm. Code.

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VIII. TERMINATIONS, NONRENEWALS, AND CANCELLATIONS

WEAIC stated to the examiners that it has never initiated the termination of a group health insurance contract and would only do so in two situations--nonpayment of premium and noncompliance with underwriting guidelines.

Prior to the renewal date, the policyholder receives a renewal notification and renewal rate. If there are coverage changes, new contracts are signed and updated benefit summaries and/or certificates are issued.

Premium is due from the policyholder on or before the 20th day of the month which precedes the month of coverage with the required 31-day grace period beginning on the 1st day of the month following the due date. The accounting department identifies delinquent policyholders and a field representative contacts the policyholder regarding the delinquent premium.

WEAIC has terminated inactive employe subscribers for nonpayment of premium. These individual subscribers are not included on the group billing invoice and remit their premiums directly to WEAIC. Although the company does not have formalized termination of coverage procedures, the examiners reviewed the delinquent letters and termination notices used in those limited situations where individual coverage is terminated, and found them to be in compliance with the requirements of s. 631.36, Wis. Stat. No exceptions were noted.

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IX. CLAIMS

Approximately 50% of all claims received by WEAIC are submitted electronically. All electronic claims are edited for completeness and entered into the computer for processing the same day they are received. Approximately 70% of the electronic claims are accepted for autoprocessing and claim payments or claim denials are issued as early as the next business day. The remaining 50% of all medical claims are submitted using paper claim forms. Approximately 30% of these claims are scanned and ready for verification within 24 hours of receipt and entered into the computer for processing the same day they are received. The majority of these claims are also accepted for autoprocessing with payments or claim denials issued as early as the next business day. Those paper claims not scanned and autoprocessed are microfilmed and manually entered into the computer with the majority of claim payments or denials issued as early as the next business day. The average turnaround time for the processing of electronic claims is 5 days and 21 days for claims submitted on paper.

Reasonable and customary charges (R&C) is set at a statewide average using a collection of fee data for the majority of providers in the state. WEAIC's reasonable and customary charge is the average charge for a specific procedure plus 30% to compensate for pricing variations around the state. WEAIC uses Medicode, a nationwide data base, to supplement the information in its data base.

WEAIC received 1,650,478 claims during the period of review, of which 40,659 were subject to a R&C determination. Of these claims, 976 or 2.4% exceeded the company's R&C determination for the service provided.

The examiners reviewed a total of 200 claims including 100 paid claims and 100 denied claims. All claims reviewed were adjudicated well under 30 days of receiving the claims except for several claims which required the gathering of additional information including medical records. The company generates multiple weekly and monthly reports to track claims activity and the timeliness with which claims are processed. No exceptions were noted.

The company uses the American National Standards Institute (ANSI) codes on its

Explanation of Benefits forms (EOBs) and has a procedure to manually calculate interest payments on claims that are not paid within 30 days, pursuant to the requirements of s. 628.46, Wis. Stat.

The examiners reviewed the company's EOB forms and claims adjudication procedures and noted the following exceptions:

1. The EOB form used for point of service plan subscribers, does not contain language advising subscribers of their right to file a grievance when a claim or benefit is denied pursuant to the requirements of s. Ins 3.48 (7) (b), Wis. Adm. Code.

2. A written claim processing guideline entitled, "Timely Payment of Claims/Interest payments," provides that interest is never owed in situations where the provider has not first billed the subscriber for charges. This guideline is not in compliance with the requirements of s. 628.46, Wis. Stat.

Based on the examiners' review of WEAIC's claim procedures, it is recommended that WEAIC:

1. Revise the EOB used for POS claims to inform subscribers of their right to file a grievance when a claim or benefit is denied and the procedure to follow as required by s. Ins 3.48 (7) (b), Wis. Adm. Code.

2. Revise the claims processing guidelines entitled, "Timely Payment of Claims/Interest Payments" to comply with s. 628.46, Wis. Stat., by deleting the statement that interest is not owed if the provider has not billed the subscriber for charges.

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X. POLICY FORMS

The examiners reviewed WEAIC's policy form filing procedures and identified those policy forms used during the period of review that were deemed approved by OCI without being formally reviewed for compliance with insurance laws and regulations. Four such forms were identified and reviewed without any exceptions being noted.

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XI. SUMMARY OF REPORT

The examination of WEAIC began on October 6, 1997, and the fieldwork was completed on October 13, 1997. Most exceptions noted deal with proper documentation of procedures.

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XII. SUMMARY OF RECOMMENDATIONS

Advertising

1. Revise all advertisements that meet the definition of "invitation to apply" under s. Ins 3.27 (5) (g), Wis. Adm. Code, and specifically reference the dollar amount of benefits payable, period of time for which the benefit is payable, cost of the policy, specific policy benefit or the loss for which such benefit is payable, to disclose the exceptions and limitations of the coverage as required by s. Ins 3.27 (10), Wis. Adm. Code.
2. Develop and implement procedures to ensure that all advertisements, including the WEAIC produced newsletters for union representatives and school district business officials, are maintained in the advertising file as required by s. Ins 3.27 (28), Wis. Adm. Code.
3. Attach a notation to each advertisement in the advertising file, indicating the manner and extent of distribution, as required by s. Ins 3.27 (28), Wis. Adm. Code.
4. Include with each advertisement in the advertising file a copy of each policy, amendment, rider, or endorsement advertised, as required by s. Ins 3.27 (28), Wis. Adm. Code.

Agents

5. Develop formal written procedures for the listing and termination of agents that complies with all of the requirements of s. 628.11, Wis. Stat., and s. Ins 6.57, Wis. Adm. Code.
6. Establish procedures to ensure that terminated agents are given a written notice of termination which includes a formal request for the return of all indicia of agency as required by s. Ins 6.57 (2), Wis. Adm. Code.

Grievances

7. Periodically reaudit the grievance procedure process to ensure consistent compliance with all of the requirements of s. Ins 3.48, Wis. Adm. Code.
8. Revise its procedures to ensure that all grievances that have not been resolved in the grievant’s favor, by the ombudsperson, be scheduled for the grievance committee hearing pursuant to the requirements of s. Ins 3.48 (7) (d), Wis. Adm. Code, and s. 609.15 (2), Wis. Stat.

Provider Agreements

9. Revise its provider agreements with Humana Wisconsin Health Corporation, St. Mary’s/Dean Ventures Inc., United Health of Wisconsin, Gundersen Clinic LTD., CNR Health Inc., and UHC Management Company Inc.,/United Resource Networks to require providers to promptly forward all complaints and grievances they receive to WEAIC for recording and resolution pursuant to the requirements of s. Ins 3.48 (7) (f) 2, Wis. Adm. Code.

Claims

10. Revise the EOB used for point of service claims to inform subscribers of their right to file a grievance when a claim or benefit is denied and the procedure to follow as required by s. Ins 3.48 (7) (b), Wis. Adm. Code.
11. Revise the claims processing guideline entitled, "Timely Payment of Claims/Interest Payments" to comply with s. 628.46, Wis. Stat., by deleting the statement that interest is not owed if the provider has not billed the subscriber for charges.

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XIII. ACKNOWLEDGMENT

In addition to the undersigned, the following personnel from the Office of the Commissioner of Insurance participated in the examination and preparation of this report:

Milt Alswager
Larry Schlinkert

The cooperation and courtesy extended to OCI personnel is hereby acknowledged.

Respectfully submitted,

Pam Ellefson
Examiner-in-Charge

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Updated: April 9, 1999