BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

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Dept. Of Commerce & Insurance
Company Examinations

IN THE MATTER OF:	)	
	)	**No.: 06-108**
UNITED HEALTHCARE OF TENNESSEE, INC.	)	

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to Tenn. Code Ann. §§ 56-1-401, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of United Healthcare of Tennessee, Inc. (hereinafter also referred to as the "Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2004, the examiner-in-charge filed with the Division, on the 27th day of July, 2006, a verified, written report on the examination, and a copy of that report has been sent to United Healthcare of Tennessee, Inc. (The Report on Examination of United Healthcare of Tennessee, Inc is attached hereto and marked as Exhibit A). The Division received a written comment on said examination report from the Company on August 22, 2006. (A copy of the Company's written rebuttal is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of United Healthcare of Tennessee, Inc., filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 27th day of July, 2006, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-32-210(c)(6) by taking any and all steps necessary to ensure that the Company shall make known, upon receipt of a grievance, that covered persons are entitled to submit written material and obtain the assistance of any uninvolved member of the staff.

2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-32-210(c)(5) by holding the review within ten (10) working days of receipt of the grievance and all necessary information; provided this time may be extended by written notice to the covered person that review cannot not be accomplished within ten (10) working days, such extension not to exceed an additional ten (10) working days.
3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-32-210(c)(7) by issuing a written decision to the covered person or the covered person's representative within five (5) working days from the date of the review containing a statement of the grievance committee's understanding of the covered person's grievance, the committee's decision in clear terms of sufficient detail including the contract basis or medical rationale for the decision, and a reference to the documentation and information used as the basis for the decision.
4. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-7-109(b)(1)(B) by paying the total covered amount of a clean claim no later than twenty-one (21) calendar days after receiving a claim by electronic submission.
5. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-7-109(c)(2) by paying a penalty in the amount of Fifty-Two Thousand, Two Hundred Eighty-Nine Dollars ($52,289) for properly processing and paying only seventy-three and two tenths percent (73.2%) of all clean claims received from all providers during the 2004 calendar year.

The company shall comply with the directives contained in this order within thirty (30) days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against United Healthcare of Tennessee, Inc for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 26th day of September, 2006.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

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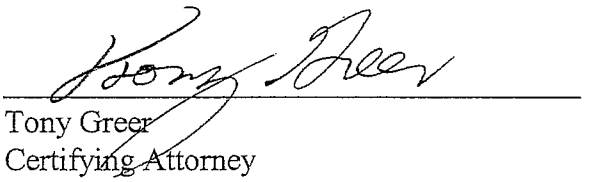
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Don Spann, Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to United Healthcare of Tennessee, Inc., 10 Cadillac Drive, Suite 200, Brentwood, Tennessee 37027, on this the 4th day of October, 2006.



Tony Greer
Certifying Attorney