

OCT 24 2001

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY CB

In the Matter of:

Docket No. 01A-244-INS

**CONNECTICUT GENERAL LIFE INSURANCE
COMPANY
(NAIC No. 62308)**

CONSENT ORDER

Respondent.

A health care appeals audit was made of Connecticut General Life Insurance Company, hereinafter referred to as "Connecticut General," by the Health Care Appeals Examiner for the Arizona Department of Insurance (the "Department") and was completed on July 16, 2001. The audit covered expedited medical review appeals, informal reconsideration appeals, formal appeals, and external independent review appeals from January 1, 2000 through December 31, 2000. Based upon the audit results, it is alleged that Connecticut General has violated the provisions of A.R.S. §§20-461, 20-2535, and 20-2536.

The Examiner reviewed Connecticut General's health care appeals procedures, expedited, informal, formal, and external health care appeals files, and other materials sent to the Department in response to the audit call letter.

Connecticut General wishes to resolve these matters without formal adjudicative proceedings, admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Connecticut General is a Connecticut domiciled life and disability insurer and a subsidiary of CIGNA Corporation. Connecticut General is authorized to transact health insurance business pursuant to a certificate of authority issued by the Director.

2. The Examiner was authorized by the Director to conduct a health care appeals audit of Connecticut General and has prepared a Report of Examination of the Health Care Appeals of Connecticut General ("the Report").

1 3. The Examiner reviewed 8 expedited medical review appeals and found that each of
2 the files contained at least one deficiency. The deficiencies are as follows:

3 a. Connecticut General notified the member in one case of a timeframe within
4 which it would render an expedited medical review decision that was inconsistent with the
5 timeframe provided by law.

6 b. Connecticut General failed to include the criteria used and clinical reasons for
7 the decision letter in five decision letters. Each of these appeals were approved within the
8 timeframe allowed by law.

9 c. Connecticut General's internal notes in one case indicated that the appeal must
10 be made in writing.

11 4. The Examiner reviewed 64 informal reconsideration appeals, and found that 53 files
12 contained at least one deficiency. The deficiencies are as follows:

13 a. Connecticut General failed to distribute information packets to the member and
14 treating provider in thirty-six cases in which the informal reconsideration appeal was denied. In an
15 additional three cases, Connecticut General did not distribute information packets where the
16 informal reconsideration was approved within the timeframe allowed by law.

17 b. Connecticut General failed to send a written acknowledgement of the request
18 for appeal to the treating provider in seven cases in which the informal reconsideration appeal was
19 denied. In an additional three cases, Connecticut General did not send a separate written
20 acknowledgment of the request for appeal to the treating provider where the informal
21 reconsideration appeal was approved within the timeframe allowed by law. In one additional case,
22 Connecticut General failed to send a written acknowledgement of the request for appeal to the
23 member.

24 c. Connecticut General failed to send written acknowledgment of the request for
25 appeal within the five business day timeframe after receiving the appeal request in seven cases.

 d. Connecticut General failed to render a decision within 30 days following receipt
of the appeal request in four cases. In eleven additional cases, Connecticut General informed the

1 member of a timeframe within which it would render a decision that was inconsistent with the
2 timeframe allowed by law. Each of these appeals was decided and notice of the decision was sent
3 within the timeframe allowed by law.

4 e. Connecticut General failed to send written notice of the decision to the treating
5 provider in eleven cases.

6 f. Connecticut General failed to notify members in fourteen cases of the right to
7 request an external independent review if, following a formal appeal request, the formal appeal is
8 upheld.

9 g. Connecticut General failed to include the criteria used and clinical reasons for
10 the decision in sixteen appeal decision letters. Of those sixteen cases, twelve were approved within
11 the timeframe allowed by law.

12 h. Connecticut General misrepresented the timeframe applicable to expedited
13 medical reviews in four cases by informing the member of a timeframe within which it would render
14 an expedited medical review decision that was inconsistent with the timeframe allowed by law.

15 i. Connecticut General informed the member in nine cases that the appeal needed
16 to be made in writing.

17 5. The Examiner reviewed 24 formal appeals, and found that 5 files contained at least
18 one deficiency. The deficiencies are as follows:

19 a. Connecticut General failed to send written acknowledgment within five
20 business days of receiving the appeal request in one case.

21 b. Connecticut General failed to include the criteria used and clinical reasons
22 for the decision in two appeal decision letters. Of those two cases, one was approved within the
23 timeframe allowed by law

24 c. Connecticut General failed to send an information packet to the member and
25 treating provider with the acknowledgment of the appeal request in one case.

1 d. Connecticut General failed to include notice of the right to request an
2 external independent review following the formal appeal in one case that was only partially
3 overturned.

4 e. Connecticut General failed to have an appeal decision rendered by a
5 physician or other appropriate health care professional by refusing to follow the recommendations
6 of the physician in one case.

7 8 **CONCLUSIONS OF LAW**

9
10 1. Connecticut General violated A.R.S. §20-2535(B) (1999) and §20-461(A)(17) by
11 failing to send members and their treating providers acknowledgment letters and health care
12 appeals information packets within five business days of receiving the appeal requests.

13 2. Connecticut General violated A.R.S. §20-2535(D) and §20-461(A)(17) by failing to
14 send the member and the member's treating provider a written notice of the decision within 30 days
15 after receiving the request for appeal.

16 3. Connecticut General violated A.R.S. §20-2535(F) and §20-461(A)(17) by failing to
17 inform members of the right to request an external independent review if, following a formal appeal
18 request, the formal appeal is upheld.

19 4. Connecticut General violated A.R.S. §§20-2535(D) and (F) by failing to include the
20 criteria and clinical reasons for its appeal denials in informal reconsideration decision letters.

21 5. Connecticut General violated A.R.S. §20-2536(B) (1999) by failing to send
22 acknowledgment letters and health care appeals information packets to one member and the
23 member's treating provider within five business days of receiving the formal appeal request.

24 6. Connecticut General violated A.R.S. §20-2536(E) by failing to include the criteria
25 and clinical reasons for its appeal denial in a formal appeal decision letter.

7. Connecticut General violated A.R.S. §20-2536(G) by failing to inform a member of
the right to an external independent review.

8. Connecticut General violated A.R.S. §20-2536(D) (1999) by failing to have a physician or other appropriate health care professional as defined by law render a formal appeal decision.

ORDER

IT IS HEREBY ORDERED THAT:

1. Within 90 days of the filed date of this Order, Respondent shall develop an action plan outlining procedures that will ensure the following:

a. All denial letters will advise the member or treating provider of the correct information regarding the ability to appeal denials and the proper timeframes applicable to those appeals, consistent with A.R.S. §§20-2533(D), 20-2534(B), 20-2535(A) and 20-2536(A).

b. All expedited medical review acknowledgment letters will advise the member or provider of the appropriate timeframe within which a decision will be rendered, consistent with A.R.S. §20-2534(B).

c. All decision letters following the completion of expedited medical review appeals, informal reconsideration appeals, and formal appeals will include the criteria used and clinical reasons for the decision, consistent with A.R.S. §20-2534(B), §20-2535(D) and (F), and §20-2536(E).

d. All members and treating providers are sent written acknowledgment letters of requests for informal reconsiderations and formal appeals within five business days of receiving the appeal request pursuant to A.R.S. §§20-2535(B) and 20-2536(B). The acknowledgement may be stated in an approval letter to the member and treating provider, if the member's request is approved.

e. All informal appeal decisions are rendered within 30 days of receiving the request for appeal pursuant to A.R.S. §20-2535(D).

f. All treating providers are sent a written notice of the decision following the completion of all informal reconsideration appeals pursuant to A.R.S. §20-2535(D).

1 g. All informal reconsideration decision letters that uphold the original denial
2 will advise the member of the right to request a formal appeal, and if the formal appeal is upheld, of
3 the right to request an external independent review, pursuant to A.R.S. §20-2535(F).

4 h. All denials based on medical necessity that are overturned by the reviewing
5 specialist during a formal appeal will result in the denial being reversed at the completion of the
6 formal appeal, consistent with A.R.S. §20-2536(D).

7 2. Within 90 days of the filed date of this Order, Respondent shall provide the
8 Department with a copy of the action plan developed pursuant to Paragraph One of this section of
9 the Order.

10 3. Connecticut General shall pay a civil penalty of \$5,000.00 to the Director for
11 remission to the State Treasurer for deposit in the State General Fund in accordance with A.R.S.
12 §20-220(B). Said amount shall be provided to the Health Care Appeals Section of the Department
prior to the filing of this Order.

13 4. The Report of Examination dated July 16, 2001, and any objections to the
14 Report submitted by Connecticut General, shall be filed with the Department upon the filing of this
15 Order.

16
17 DATED this 23rd day of October, 2001.

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21 Charles R. Cohen
22 Director of Insurance
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CONSENT TO ORDER

1. Respondent, CONNECTICUT GENERAL LIFE INSURANCE CO. has reviewed the foregoing Order.

2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, admits the foregoing Finding of Facts are true, and consents to the entry of the Conclusions of Law and Order.

3. Respondent is aware of the right to a hearing, at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent irrevocably waives the right to such notice and hearing and to any court appeals related to this Order.

4. Respondent states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Consent Order and that it has entered into this Consent Order voluntarily.

5. Respondent acknowledges that the acceptance of this Order by the Director of the Arizona Department of Insurance is solely for the purpose of settling this matter and does not preclude any other agency or officer of this state or its subdivisions or any other person from instituting proceedings, whether civil, criminal, or administrative, as may be appropriate now or in the future.

6. David C. Kopp, who holds the office of Vice President of Respondent, is authorized to enter into this Order for it and on its behalf.

CONNECTICUT GENERAL LIFE INSURANCE CO.

10/15/2001 By K. O. [Signature]
(date)

COPY of the foregoing mailed/delivered this 24th day of October, 2001 to:

Sara Begley
Deputy Director

1 Vista Brown
2 Executive Assistant
3 Gerrie Marks
4 Executive Assistant
5 Catherine O'Neil
6 Consumer Legal Affairs Officer/Custodian of Records
7 Mary Butterfield
8 Assistant Director
9 Consumer Affairs Division
10 Alexandra Shafer
11 Assistant Director
12 Life and Health Division
13 Deloris E. Williamson
14 Assistant Director
15 Rates & Regulations Division
16 Steve Ferguson
17 Assistant Director
18 Financial Affairs Division
19 Nancy Howse
20 Chief Financial Examiner
21 Financial Affairs Division

22 DEPARTMENT OF INSURANCE
23 2910 North 44th Street, Suite 210
24 Phoenix, AZ 85018

25 Janet L. Brierton
Assistant Director, Market Conduct Examinations
Contract Development & Regulation
CONNECTICUT GENERAL LIFE INSURANCE CO.
900 Cottage Grove Road, Routing C-38
Hartford, CT 06152-1038

Curvey Butler