



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### Market Conduct Report

of

### OrthoNet LLC

September 21, 2021

From March 17, 2021 through September 20, 2021, the Market Conduct Division of the Connecticut Insurance Department examined the utilization review practices of OrthoNet LLC (the Company), using a sample period of April 1, 2019 through December 31, 2019. The examination was limited to Connecticut enrollees.

OrthoNet LLC has its home office in the State of New York and is licensed as a utilization review entity in the State of Connecticut under license number 200001026. By authority granted under §38a-591 of the Connecticut General Statutes, this examination was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department's offices in Hartford, Connecticut.

The purpose of the examination was to evaluate the Company's utilization review practices in the State of Connecticut. From a listing of utilization reviews performed by the Company, the examiners reviewed one hundred fifty-two (152) sample files, which included complaints and approved and denied certifications during the examination period.

The Department's findings are as follows:

- The examiners verified that one (1) determination not to certify care was not made within the required 15 days of the receipt of the request for review, upon the receipt of all information reasonably required to make denial determinations.
- The examiners verified that one (1) United Healthcare approval determination failed to use the determination letter of the entity licensed by the Insurance Commissioner.
- The examiners verified that seven (7) Oxford approval determinations failed to use the determination letter of the entity licensed by the Insurance Commissioner.
- The examiners verified that nine (9) Anthem approval determinations did not follow a written document of its utilization review activities and procedures previously provided to the Department.

It is recommended that the Company review its policies and procedures to ensure that denial determinations are made within the 15-day requirement, it is properly referenced on all determination letters as the licensed entity performing the review and it follows a written document of its utilization review activities and procedures, as required by statute.



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

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 IN THE MATTER OF : DOCKET MC 21-82  
 OrthoNet LLC :  
 -----X

### STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between OrthoNet LLC and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner (“Insurance Commissioner”) to wit:

I

WHEREAS, pursuant to a market conduct examination, the Insurance Commissioner alleges the following with respect to OrthoNet LLC:

1. OrthoNet LLC, hereinafter referred to as Respondent, is domiciled in the State of New York and is licensed to transact the business of a utilization review entity in the State of Connecticut under license number 200001026.
2. From March 17, 2021 through September 20, 2021, the Department conducted an examination of Respondent’s utilization review practices in the State of Connecticut covering the period from April 1, 2019 through December 31, 2019.
3. During the period under examination, Respondent failed to establish practices and procedures to ensure compliance in all instances with statutory requirements for:
  - a. notification of a determination not to certify care, admission or procedure within 15 days of the receipt of the request for review, upon the receipt of all information reasonably required to make denial determinations.
  - b. using a determination letter of the entity licensed by the Insurance Commissioner.
  - c. using a written document of its utilization review activities and procedures previously provided to the Department.
4. The conduct as described above violates §38a-591b and §38a-591d of the Connecticut General Statutes, and §38a-591-7 of the Regulations of Connecticut State Agencies and constitutes cause for the imposition of a fine or other administrative penalty under §38a-591k of the Connecticut General Statutes.

II

1. WHEREAS, Respondent admits to the allegations contained in paragraphs three and four of Article I of this Stipulation; and
2. WHEREAS, Respondent agrees to review its utilization review practices and procedures identified as concerns during the market conduct examination, as described in the Examination of Utilization Review Practices Report and this Stipulation, and bring them into immediate compliance with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a full report of finding and a summary of actions taken to comply with the requirements of paragraph two of this section within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent, being desirous of terminating this proceeding without the necessity of a formal proceeding or further litigation, does consent to the making of this Final Order and voluntarily waives:
  - a. any right to a hearing; and
  - b. any requirement that the Insurance Commissioner's decision contain a statement of findings of fact and conclusion of law; and
  - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation
5. WHEREAS, Respondent agrees to pay a fine in the amount of \$8,000.00 for the violations described herein.

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Eight Thousand Dollars (\$8,000.00) for the violations herein above described.

OFTHONET LLC

BY: 

(Representative of Utilization Review Entity)

CERTIFICATION

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Order on this 2<sup>nd</sup> day of December 2021 for and on behalf of OrthoNet LLC that he/she is the Asst. Secretary of such company, and he/she has authority to execute and file such instrument.

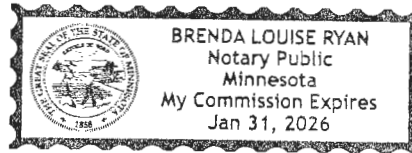
BY: \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

Personally appeared on this 2<sup>nd</sup> day of December 2021,  
Heather Yang signer and sealer of the foregoing Stipulation and Consent Order, acknowledged same to be his/her free act and deed before me.

Brenda Louise Ryan  
Notary Public/Commissioner of the Superior Court



*Section Below To Be Completed by State of Connecticut Insurance Department*

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Dated at Hartford, Connecticut this 7 day of December 2021.

Andrew N. Mais  
Insurance Commissioner