



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report **of** **Oscar Management Corporation** **August 29, 2023**

From February 10, 2023 through August 29, 2023, the Market Conduct Division of the Connecticut Insurance Department examined the utilization review practices of Oscar Management Corporation (the Company), using a sample period of May 1, 2021 through December 31, 2021. The examination was limited to Connecticut enrollees.

Oscar Management Corporation has its home office in the State of Connecticut and is licensed as a utilization review entity in the State of New York under license number 2716531. 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 sixty-seven (167) sample files, which included complaints and approved, denied and appeal certifications during the examination period.

The Department's findings are as follows:

- The examiners verified that fifty-seven (57) determination letters not to certify care did not reflect an external appeal may be filed within 120 calendar days after receiving an adverse determination or a final determination.
- The examiners verified that forty-nine (49) determinations letters not to certify care did not reflect forty-eight hours after the health carrier receives such request or seventy-two hours after such health carrier receives such request if any portion of such forty-eight-hour period falls on a weekend regarding an urgent care request.
- The examiners verified that two (2) determination letters not to certify care failed to provide Connecticut external appeal language.
- The examiners verified that four (4) determinations not to certify care were 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) determination not to certify care was not made within the required forty-eight hours of the receipt of the request for review, upon the receipt of all information reasonably required to make urgent denial determinations.

- The examiners verified that five (5) determination letters not to certify care were issued prior to affording forty-eight hours to submit the specified information.
- The examiners verified that there were eight (8) instances where the Company did not have sufficient documentation for regulatory review.
- The examiners verified that two (2) appeal determinations were not reviewed by an appropriate clinical peer for the service requested.
- The examiners verified that nine (9) appeal determinations were issued with a template letter that failed to be submitted for review by the entity licensed by the Insurance Commissioner.
- The examiners verified that forty-nine (49) determination letters not to certify care were issued by the Company not containing expedited appeal rights as a result of not implementing production of these letters for its 2021 calendar year license renewal.

It is recommended that the Company review its policies and procedures to ensure that the proper Connecticut external appeal language is contained in the determination letters not to certify care, denial determinations are made within the 15 day requirement, expedited denial determinations are made within the 48-hour requirement, allowing not less than 48-hours to submit the specified information prior to issuing a determination letter of an urgent request, appeal determinations are reviewed by an appropriate clinical peer, and not to include determination letters that are not approved by the Insurance Commissioner, as required by statute.

It is further recommended that the Company note the appropriate link in pharmacy denial determinations or have more descriptive language as to how to access the appropriate link. Also, it is recommended that the Company not classify reconsideration files as appeals.

In addition, the Company is instructed to comply with the following:

- Review its policies and procedures to ensure that the Company timely responds and implements changes to all determination letters as required by the Life & Health Division. The Department requests that the Company work with the Department's Life & Health Division on compliance. The Department further requests that the Company provide the Market Conduct Division an update on actions taken to address the concerns outlined above within thirty (30) days of submission of its 2024 renewal.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

-----X
 IN THE MATTER OF : DOCKET MC 23-73
 Oscar Management Corporation :
 -----X

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Oscar Management Corporation 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 Oscar Management Corporation:

1. Oscar Management Corporation, 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 2716531.
2. From February 10, 2023 through August 29, 2023, the Department conducted an examination of Respondent’s utilization review practices in the State of Connecticut covering the period from May 1, 2021 through December 31, 2021.
3. During the period under examination, Respondent failed to establish practices and procedures to ensure compliance in all instances with statutory requirements for:
 - a. providing proper Connecticut external appeal language;
 - b. 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;
 - c. notification of a determination not to certify care, admission or procedure within 48 hours of the receipt of the request for review, upon the receipt of all information reasonably required to make urgent denial determinations;
 - d. providing forty-eight hours after the date of receipt of the notice to provide the specified information.
 - e. providing sufficient documentation for regulatory review.
 - f. providing an appropriate clinical peer to review an appeal request.
 - g. using a determination letter of the entity licensed by the Insurance Commissioner.

4. The conduct as described above violates §38a-591b and §38a-591d of the Connecticut General Statutes, and §38a-591-4, §38a-591-7 and §38a-591-8 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 and correct those 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 \$17,500.00 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 Seventeen Thousand Five Hundred Dollars (\$17,500.00) for the violations herein above described.

OSCAR MANAGEMENT CORPORATION

BY: John Reilly
(Representative of Utilization Review Entity)

CERTIFICATION

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Order on this 15 day of November 2023 for and on behalf of Oscar Management Corporation that he/she is the Director of Regulatory Affairs of such company, and he/she has authority to execute and file such instrument.

John Reilly

BY: _____

State of Arizona

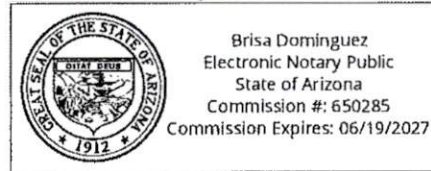
County of Maricopa

Personally appeared on this 15 day of November 2023,

John Reilly signer and sealer of the foregoing Stipulation and Consent Order, acknowledged same to be his/her free act and deed before me.


Notarized online using audio-video communication

Brisa Dominguez ,Notary Public
Notary Public/Commissioner of the Superior Court



Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 5th day of December 2023.



Andrew N. Mais
Insurance Commissioner