



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

**Aetna Life Insurance Company, Inc.
Aetna Health, Inc.**

November 23, 2021

On August 7, 2019, through March 17, 2021, The Market Conduct Division of the Connecticut Insurance Department examined by targeted review the Mental Health Parity practices of Aetna Life Insurance Company, Inc. and Aetna Health, Inc. (hereinafter referred to as the “Companies”), for the sample period of January 1, 2017 through December 31, 2017.

The evaluation was based on a series of questions, in which the companies provided responses, involving MHPAEA “in-operation” NQTL predominant disparities and their “in-practice” standards applied between three healthcare plan benefits: (1) Medical/Surgical Benefits, (2) Substance Use Disorder Benefits and (3) Mental Health Benefits. Insurers must apply nonquantitative treatment limitations (NQTL) both “as-written” and “in-operation” in a manner that is comparable and not more stringent for MH/SUD benefits than for Med/Surgical benefits in the same classification. The targeted review was limited to Connecticut Health Insurance business.

Aetna Life Insurance Company, Inc., and Aetna Health, Inc. have their home offices in the State of Connecticut. By authority granted under §38a-15 of the Connecticut General Statutes, this targeted review was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department offices in Hartford, Connecticut.

The purpose of the examination survey was to evaluate the Company’s Mental Health Parity Non-Quantitative Treatment Limitation practices and activity in the State of Connecticut. The examiners reviewed the Company’s response, which included information requested for the examination period.

The Insurance Commissioner alleges the Respondent imposed nonquantitative treatment limitations with respect to MH/SUD benefits and was, therefore, under The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, required to provide detailed explanations of how its analysis of its underlying processes, strategies, standards and other factors used to apply NQTL to MH/SUD and to medical/surgical benefits have led the Respondent to conclude that the NQTLs were applied, as written and

in operation, in a manner that was comparable and not more stringent for MH/SUD than for medical/surgical services and was, consequently, in conformance with legal requirements.

The Department's findings are as follows:

With respect to the in-operation comparability analysis, the Insurance Commissioner alleges that the Respondent was unable to provide to the Department's satisfaction, sufficient documentation demonstrating compliant parity analyses, notwithstanding that it was noted that during the period under examination, the Respondent's application of the NQTLs appeared to be contributing to operational results that produced differing outcomes.

- a) in the rate of denial for certain In-Network and Outpatient benefit claims between SUD benefits and Med/Surg benefits
- b) in the denial rate for certain OON and Outpatient benefit claims between SUD benefits and Med/Surg benefits

It is required that the Companies review their NQTL standards and operational practices impacting and contributing to these predominant operational disparities between Mental Health Benefits, Substance Use Disorder Benefits and Medical/Surgical benefits.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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IN THE MATTER OF:
AETNA LIFE INSURANCE COMPANY:
-----X

DOCKET MC 21-49

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Aetna Life Insurance Company and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner, to wit:

I

WHEREAS, pursuant to a Market Conduct target review, the Insurance Commissioner alleges the following with respect to Aetna Health Insurance Company.

1. Aetna Life Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of Connecticut and is licensed to transact the business of an insurance company in the State of Connecticut under license number 60054 and is authorized to write accident and health insurance.
2. From August 7, 2019 through March 17, 2021, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period from January 1, 2017 through December 31, 2017.
3. The Insurance Commissioner alleges the Respondent imposed nonquantitative treatment limitations with respect to MH/SUD benefits and was, therefore, under The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, required to provide detailed explanations of how its analysis of its underlying processes, strategies, standards and other factors used to apply NQTL to MH/SUD and to medical/surgical benefits have led the Respondent to conclude that the NQTLs were applied, as written and in operation, in a manner that was comparable and not more stringent for MH/SUD than for medical/surgical services and was, consequently, in conformance with legal requirements.
4. With respect to the in-operation comparability analysis, the Insurance Commissioner alleges that the Respondent was unable to provide to the Department's satisfaction, sufficient documentation demonstrating compliant parity analyses, notwithstanding that it was noted that during the period under examination, the Respondent's application of the NQTLs appeared to be contributing to operational results that produced differing outcomes.
 - a) in the denial rate for certain In-Network and Outpatient benefit claims between SUD benefits and Med/Surg benefits

- b) in the denial rate for certain OON and Outpatient benefit claims between SUD benefits and Med/Surg benefits
- 5. The Commissioner finds that the conduct as described above violates The Paul Wellstone and Pete Dominici Mental Health Parity and Equity and Addiction Equity Act of 2008 and constitutes cause for the imposition of a fine or other administrative penalty under §§38a-2 and 38a-41 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 undertake a complete review of its practices and procedures to enhance compliance with Connecticut statutes in the areas of concern, as described in the Market Conduct Report and this Stipulation; and
- 3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a summary of actions taken to comply with the recommendations in the Market Conduct Report within ninety (90) days of the date of this document; and
- 4. WHEREAS, Respondent agrees to pay a fine in the amount of \$25,000 for the violations described herein; and
- 5. 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 Consent 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 conclusions 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.

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 Twenty-Five Thousand Dollars (\$25,000) for the violations herein above described.

Aetna Life Insurance Company

By:


(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Order on this 8th day of December 2021 for and on behalf of Aetna Life Insurance Company, Inc., that he/she is the Vice President of such company, and he/she has authority to execute and file such instrument.

By: Gregory Martino

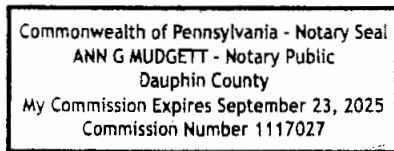
State of

County of

Personally appeared on this 8th day of December 2021

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

Ann G Mudgett
Notary Public/Commissioner of the Superior Court



Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 21 day of December 2021.

Andrew N. Mais
Insurance Commissioner