

**IN THE MATTER OF  
UNITED HEALTHCARE INSURANCE COMPANY, ET AL.  
REGULATORY SETTLEMENT**

FREQUENTLY ASKED QUESTIONS

*Scope of the Agreement*

**Q. What does the Agreement cover?**

A. The Agreement covers designated UnitedHealth Group companies that operate on two core claim processing systems (UNET and Cosmos) with respect to core medical coverage and with respect to eight areas of concern (claims handling; coordination of benefits; appeals, grievances, and complaints; explanation of benefits; oversight over contracted entities; utilization review; provider network adequacy; and responsiveness to regulators). The Agreement applies to fully insured business, but not to Medicare, Medicaid or self insured business. (*Paragraph B.2*)

**Q. Does the Agreement apply to all UnitedHealth Group claim systems?**

A. No. The Agreement only applies to UnitedHealth Group's core national operating platforms, Unet and Cosmos. (*Paragraph B.2*)

**Q. How does the Agreement apply to UnitedHealth Group activities not listed as an area of concern under the agreement? Can a new area be added?**

A. The Agreement does not cover items not currently listed in the Agreement as an area of concern. New areas can be added with the Agreement of and under the direction of the Lead Regulators and UnitedHealth Group. (*Paragraph B.1*)

**Q. Does the Agreement apply to all UnitedHealth Group companies?**

A. No. The Agreement applies to those companies who operate on United's core national operating platforms in the fully insured (non-AS) commercial (non-Medicare and non-Medicaid) market. (Paragraph B.2) Oxford Health Plan, Oxford Health Insurance and Pacificare are examples of companies that are **not** included.

**Q. How does the Agreement apply to newly acquired UnitedHealth Group companies?**

A. The Agreement will only apply to newly acquired entities only if (a) the Lead Regulators agree to accept the new company under the agreement and (b) the newly acquired company operates under the covered systems with respect to covered membership and covered areas of concern. (Paragraph B.2)

**Q. How does the Agreement apply to existing UnitedHealth Group companies that are currently not on the covered systems?**

A. The Agreement does not cover companies that are not operating on the Unet or Cosmos systems. For example, the legacy Oxford and PacifiCare companies are not covered by the Agreement as they are not currently administered on the covered systems. The Agreement will cover such companies only if and when those companies transition their administration to one of the covered national operating platforms and upon the agreement of the Lead Regulators.

**Q. When did the Agreement become effective?**

A. The Agreement became effective on August 27, 2007 once 30 jurisdictions (37 as of 8/31/07) agreed to participate that represent more than 50% of the impacted UnitedHealth Group membership. (Paragraph D.10)

**Q. What is the term of the Agreement?**

A. The Agreement's term runs through December 31, 2010. (Paragraph B.1)

#### *Administration of the Agreement*

**Q. What does a jurisdiction have to do to interact with UnitedHealth Group during the term of the Agreement?**

A. Routine course of business between jurisdiction regulatory agencies and UnitedHealth will remain unchanged during the Agreement. Jurisdictions will work under the direction of the Lead Regulators to track UnitedHealth's performance against defined benchmarks. If matters arise that individual jurisdictions believe should come to the attention of the company and that fall within the items covered under the Agreement, jurisdictions will bring the matter to the attention of the Lead Regulators, who in turn will determine an appropriate course of action, including referral to the independent examiner described below.

**Q. How does the Agreement apply to existing or noticed market conduct exams?**

A. An individual jurisdiction may choose to continue its own work on an existing or noticed examination and sign on for the prospective portion of the examination or may choose to have its existing or noticed market conduct examination resolved as a part of the Agreement and participate fully.

**Q. How does the Agreement apply to market conduct exams during the term? Financial exams?**

A. Jurisdictions that sign on to the Agreement agree to forbear all market conduct exams, routine and targeted, that pertain to items contained in the Agreement; exams can be initiated for matters that fall outside of the Agreement. (Paragraph C.11). The review of the Company's compliance with the Agreement as an ongoing investigation under the laws of Iowa should satisfy market conduct examination requirements with regard to the Multistate Areas of Review. (Paragraph C.7). An independent examiner will conduct three annual compliance examinations (Paragraph C.5). Financial exams will be handled as under current practices and are not affected.

**Q. How does the Agreement apply to regulatory activity involving consumer or provider complaints?**

A. The handling of individual consumer and provider complaints is **not** impacted by the Agreement. (Paragraph C.12).

**Q. Will the jurisdictions do any testing of UnitedHealth Group's compliance with the agreement?**

A. UnitedHealth will retain and fund, with the consent of the Lead Regulators, an external examiner to test compliance against the defined performance metrics over the course of the 3-year term through the performance of three annual compliance reviews. (Paragraph C.5). It is anticipated that any systematic problems noted by participating States will be brought to the Lead States for inclusion in the annual compliance reviews.

**Q. What are the principal obligations for the Company under the Agreement?**

A. The UnitedHealth Group companies' primary obligations under the Agreement are to address the Multistate Areas of Review set forth in Exhibit A and to achieve the performance benchmarks set forth in Exhibit D. The companies must also retain an independent examiner to monitor and test their performance against the metrics, identification and payment of claims restitution as indicated, report on their service performance against the metrics and as otherwise indicated in the Agreement to the Lead Regulators on a quarterly basis; pay an initial assessment of up to \$20 million to cover costs associated with developing and maintaining the Agreement; pay future established performance fails to achieve the relevant benchmarks at the conclusion of the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> years of the term of the Agreement.

Although there is nor specific restitution required at the inception of the agreement, any errors found by UHC or via the independent compliance review must be reprocessed w/ interest if applicable. For any systematic errors found by UHC or via the independent compliance review, UHC must conduct review from discovery of the error, going back as far as 3 years from date of agreement and reprocess erroneous claims w/ interest if applicable. (Paragraph C.3)

*Metrics/Benchmarks*

**Q. When will the performance against the metrics be reported?**

A. Performance against the metrics is to be reported within 60 days from the conclusion of each calendar quarter. It is contemplated that the first report will be supplied for the third quarter of 2007, even though the benchmarks do not trigger possible assessments until the first quarter of 2008. (Paragraph C.4)

**Q. Are the benchmarks different than the metrics?**

A. The benchmarks are five of the metrics which trigger assessments for non-compliance.

**Q. What happens if the Company does not satisfy a benchmark?**

A. The Agreement calls for certain assessments if the Company does not achieve a benchmark. The benchmarks and related assessments become progressively higher over the term of the Agreement.

**Q. What happens if the Company achieves a Benchmark nationwide but does not achieve the Benchmark in a particular jurisdiction?**

A. The benchmarks trigger assessments – which are paid to the jurisdictions – if the national benchmarks have not been satisfied. If at the end of the agreement the Company is not in compliance with one of the jurisdiction benchmarks, the Company has agreed to work with that jurisdiction, which is empowered to take any appropriate action allowed under its laws, including undertaking an exam. That jurisdiction may also impose a penalty up its proportional share of the assessments set forth in the Agreement. (Paragraph C.10)

**Q. What is the result if the Company achieves a Benchmark but fails to meet a more stringent jurisdiction-specific statutory requirement.**

A. The Company remains obligated to continue to adhere to all jurisdiction-specific laws of the signatory jurisdictions. Specifically, the Agreement states that nothing in it enlarges, supersedes or preempts the insurance laws of any Signatory Regulator's jurisdiction and when an issue pertaining to the Agreement is specific to an individual agreement, the particular substantive law of that jurisdiction will be utilized to interpret, apply and enforce the provisions of the agreement. (Paragraph D.5)

Furthermore, if a deficiency exists in a jurisdiction, UHC is obligated to work with that jurisdiction to resolve the issue including the development of a jurisdictional-specific process improvement plan. If the matter cannot be resolved, a jurisdiction may take other regulatory action, including the calling of a market conduct examination, but may not impose a monetary penalty in excess of the assessment the jurisdiction would receive for a nationwide failure to achieve the Benchmark. (Paragraph C.10)

*Finalization*

**Q. When does the Agreement end?**

A. The Agreement's term ends at the end of 2010. (Paragraph B.1) UnitedHealth Group has agreed, however, to continue to work with the Lead Regulators if any non-compliance remains and with individual participating jurisdictions if no-compliance exists with respect to any benchmark. (Paragraph D.1).

*Participation In the Agreement*

**Q. May any jurisdiction participate?**

A. Yes.

**Q. Are there any specific conditions for participation?**

A. No, other than executing an Agreement to participate.

**Q. May a jurisdiction participate for only the prospective part of the agreement?**

A. Yes. A jurisdiction may participate for both the retrospective and prospective parts of the agreement or for the prospective part only. There are no conditions for participating in either manner. (Participating Regulator Adoption on Page 24 of 21).

**Q. If a jurisdiction elects to participate on a prospective basis only, is that jurisdiction precluded from taking regulatory enforcement action for acts occurring prior to the effective date of the Agreement?**

A. Unless a jurisdiction has previously levied a sanction for those acts, a jurisdiction participating prospectively would not be precluded from taking regulatory action for acts that occurred prior to the effective date of the Agreement.

**Q. If a jurisdiction elects to participate on a prospective basis only, is that jurisdiction subject to the regulatory forbearance provisions of the Agreement?**

A. Yes, such a jurisdiction would be subject to the regulatory forbearance provisions of the Agreement from the effective date of the Agreement until the conclusion of the term of the Agreement.

**Q. How much time does a jurisdiction have in which to participate?**

A. A jurisdiction has 60 days following the date on which all the Lead Regulators execute the Agreement, but the 60 day time period may be waived with the consent of the Lead Regulators and the UHC Companies. (Paragraph D.11)

**Q. If a jurisdiction decides to participate, what does it have to do to support the agreement during the term of the Agreement?**

A. The Lead Regulators have agreed to monitor the UHC Companies' compliance with the terms of the Agreement and will work with participating jurisdictions to delineate what activities will be needed. (Paragraph C.4)