

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking and Insurance, State of New Jersey, with respect to Oxford Health Plans NJ, Inc. (NAIC No. 95506) )  
 )  
 ) CONSENT  
 ) ORDER  
 )

TO: Oxford Health Plans NJ, Inc.  
4 Research Drive, 5<sup>th</sup> Floor  
Shelton, CT 06484

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon the filing of a Market Conduct Examination Report ("Report") containing the results of the January 1, 2016 to June 31, 2016 examination of the practices of Oxford Health Plans NJ, Inc. ("Oxford") relative to preparation and use of Summaries of Benefits and Coverages, as performed by the New Jersey Department of Banking and Insurance ("Department") pursuant to the authority provided at N.J.S.A. 17:23-20 et seq.; and

WHEREAS, the market conduct examination did not reveal instances of noncompliance with various provisions of New Jersey insurance statutes or regulations.

NOW, THEREFORE, IT IS on this 7<sup>th</sup> day of June, 2017

ORDERED AND AGREED that the attached Report will be adopted and filed as an official record of the Department; and

IT IS FURTHER ORDERED AND AGREED that, pursuant to N.J.S.A. 17:23-24d(1), within 30 days of the adoption of the Report, the Company shall file an affidavit with the

Department's Market Conduct Unit, stating under oath that its directors have received a copy of the adopted Report.

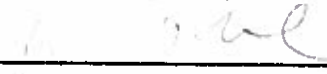


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Peter L. Hartl  
Director of Insurance

Date: JUNE 7, 2017

Consented by the Company to as to form, content and entry



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Name

Date: 5/10/17



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
CONSUMER PROTECTION SERVICES  
PO Box 329  
TRENTON, NJ 08625-0329

**CHRIS CHRISTIE**  
*Governor*

**RICHARD BADOLATO**  
*Commissioner*

**KIM GUADAGNO**  
*Lt. Governor*

TEL (609) 292-5316  
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**PETER L. HARTT**  
*Director*

June 12, 2017

Honorable Richard Badolato  
Commissioner of Insurance  
State of New Jersey  
Department of Banking and Insurance  
20 West State Street  
P.O. Box 329  
Trenton, N.J. 08625

Dear Commissioner Badolato,

Pursuant to the authority provided in N.J.S.A. 26:2J-18.1 and N.J.S.A. 17:23-22, and in accordance with your instructions, a market conduct examination of the business practices and affairs was conducted on:

Oxford Health Plans NJ, Inc., NAIC code 95506  
Domiciled in Iselin, NJ  
Oxford Health Insurance, Inc., NAIC code 78026  
Domiciled in Newark, NJ

hereinafter referred to as "Oxford." The field work for the Oxford examination was conducted in our Trenton, N.J. office. The following report is respectfully submitted on behalf of the examination team. Through a deliberative process, I certify the accuracy of the findings presented herein.

Clifton J. Day, MPA, MCM, CPM, CSM  
Chief of Market Regulation and Consumer  
Protection Services

**MARKET CONDUCT EXAMINATION**

**of**

**OXFORD HEALTH PLANS NJ, INC.  
(NAIC Company Number 95506; Group Number 707)  
Domiciled in Iselin, New Jersey**

**and**

**OXFORD HEALTH INSURANCE, INC.  
(NAIC Company Number 78026; Group Number 707)  
Domiciled in New York, New York**

**as of**

**February 2, 2017**

**BY EXAMINERS**

**of the**

**STATE OF NEW JERSEY**

**DEPARTMENT OF BANKING AND INSURANCE**

**DIVISION OF INSURANCE**

**OFFICE OF CONSUMER PROTECTION SERVICES**

**MARKET REGULATION SECTION**

**REPORT ADOPTED: June 12, 2017**

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## I. INTRODUCTION

This is a report of the Market Conduct activities of Oxford Health Plans NJ Inc., and Oxford Health Insurance, Inc., (hereinafter collectively referred to as "Oxford" or the "Companies"). Authority for this examination is found at N.J.S.A. 26:2J-18.1 and N.J.A.C. 11:24-2.12 for Oxford Health Plans NJ Inc., a health maintenance organization ("HMO"), and N.J.S.A. 17:23-22 for Oxford Health Insurance, Inc. Market Conduct Examiners from the New Jersey Department of Banking and Insurance (hereinafter referred to as the "Department" or "DOBI") conducted this examination. The examiners present their findings, conclusions and recommendations in this report as a result of their market conduct examination of the Company. The Market Conduct Examiners were Examiner-in-Charge Robert Greenfield and examiners Marleen Sheridan, William Sonntag, Richard Segin, Erin Porter and Michael Wise.

### A. Scope of Examination

Pursuant to 29 C.F.R. 2590.715-2715 (group plans) and 45 C.F.R. 147.200(a) (individual plans), a health insurance issuer offering a group or individual health benefits plan is required to provide a Summary of Benefits and Coverage (hereinafter referred to as "SBC") for each benefit plan without charge to entities and individuals upon application, renewal, reissuance and reinstatement. The SBC is to include among other things, a description of the coverage, including cost sharing, for each category of benefits and the exceptions, reductions and limitations of coverage. The scope of the examination included a census review of SBCs for health benefits plans issued in the individual and small employer markets to determine their accuracy. The examiners deemed an SBC to be accurate if it: 1) provided information consistent with the benefit summary that accompanied the rate filings for the pertinent health benefits plan as filed with the Department; and 2) complied with the limitations on cost sharing at N.J.A.C. 11:22-5.1 et seq.

The review period for this examination included SBCs issued as of January 1, 2016 and June 1, 2016. The examiners conducted this review at its Trenton, NJ office between June 27, 2016 and December 31, 2016.

Population sampling of Oxford's product portfolios was unnecessary because the examiners conducted a census review of specimen copies of all 2016 individual and small employer health benefits plans and their corresponding SBCs. The examiners conducted this review in accordance with the National Association of Insurance Commissioners' (hereinafter referred to as "NAIC") Market Regulation Handbook, Chapters 14, 16, 20 and 20A.

## **B. Error Ratios**

Error ratios are the percentage of SBCs reviewed which contained an error. A SBC is counted as an error when the stated benefit, benefit level, cost sharing or limitation is inconsistent with the information that accompanied the rate filing for that health benefits plan. As an example, an SBC that listed a \$10 co-pay for a physical therapy visit would be in error if the information in the rate filing showed a \$20 co-pay for physical therapy.

If a single SBC contains multiple errors, the examiners will count that SBC only once in calculating error ratios. However, any SBC that contains more than one error will be cited more than once in the report.

The examiners submitted written inquiries to Company representatives on the findings outlined in this report. These inquiries provided Oxford with an opportunity to respond to the examiners' findings and to provide exceptions to any statutory and/or regulatory errors or mishandling reported herein.

## **C. Company Profiles**

### Oxford Health Plans NJ Inc.

Oxford Health Plans NJ Inc., ("OHPNJ") became part of the UnitedHealth Group Incorporated ("United") insurance holding company system on July 29, 2004, pursuant to a transaction described in Form A filed with the State of New Jersey Department of Banking and Insurance of the ("DOBI"), which was approved on July 29, 2004. In the approved transaction, United acquired Oxford Health Plans, Inc. ("OHPI"), a Delaware corporation and the sole shareholder of OHPNJ, through the merger of OHPI into Ruby Acquisition, LLC, a Delaware limited liability company (the survivor, of which United is the sole Member), which changed its name to Oxford Health Plans LLC ("Oxford"). As a result, OHPNJ is wholly owned by Oxford, which is a wholly owned subsidiary of United. On December 12, 2013, DOBI acknowledged the merger of Health Net of New Jersey, Inc. ("Health Net") into its affiliate, OHPNJ, to be effective December 31, 2013, under which OHPNJ assumed all the rights and responsibilities of Health Net. OHPNJ conducts business in New Jersey, Missouri, New York, Oregon and Pennsylvania. OHPNJ offers Employer, Individual, Medicare and Retirement lines of business.

### Oxford Health Insurance, Inc.

Oxford Health Insurance Inc., became a controlled insurer of UnitedHealth ("United") Group, Inc. on July 29, 2004, when its indirect parent, Oxford Health Plans, Inc., merged into Ruby Acquisition, LLC, (the survivor), of

which United is the Sole Member, which changed its name to Oxford Health Plans LLC. The acquisition by United was approved by the New York State Departments of Insurance and Health. Oxford Health Insurance, Inc. remains 100% owned by Oxford Health Plans (NY), Inc. which, in turn is 100% owned by Oxford Health Plans LLC, which is 100% owned by United. Effective April 1, 2014, Oxford Health Insurance's shares were transferred from Oxford Health Plans (NY), Inc. to UnitedHealthcare Insurance Company after approval by the New York Department of Health and the New York Department of Financial Services. Oxford Health Insurance, Inc. is wholly owned by UnitedHealthcare Insurance Company, an indirect wholly-owned subsidiary of United. Oxford Health Insurance, Inc. is a New York domiciled company that conducts business in Connecticut, New Jersey, New Hampshire and Pennsylvania. Oxford Health Insurance, Inc. offers Employer and Individual lines of business.



## II. SUMMARY OF BENEFITS AND COVERAGE REVIEW

### A. Introduction

As of January 1, 2016, the Companies maintained a total of 90 SBCs. Products available included Health Maintenance Organization plans, Exclusive Provider Organization plans and Preferred Provider Organization plans. The Companies offered these products at the Platinum, Gold, Silver and Bronze levels with various features and cost sharing options.

### B. Error Ratios

The examiners calculated the error ratios by applying the procedure outlined in the introduction of this report. As indicated in the chart below, the examiners reviewed a census population of 90 specimen SBCs and the benefit information in the rate filings for the pertinent plans. As outlined below, the examiners found no errors in this review.

Summary of Benefits and Coverages (SBC) Error Ratio Chart

<u>Company</u>	<u>SBC Documents Reviewed</u>	<u>SBC Documents in Error</u>	<u>Error Ratio</u>
Oxford Health Plans NJ Inc.	32	0	0%
Oxford Health Insurance, Inc.	<u>58</u>	<u>0</u>	0%
Totals	90	0	0%

### C. Examiners' Findings

#### 1. Consistency between Summary of Benefits and Coverages and Benefit Summaries included in the associated Rate Filing. Zero Files in Error

The examiners reviewed 90 SBCs and found no errors when comparing SBCs to benefit information in the appropriate rate filings. The examiners also reviewed all SBCs to determine compliance with N.J.A.C. 11:22-5.1 et seq. The examiners found no errors in these reviews.

### III. VERIFICATION PAGE

I, Robert Greenfield, am the Examiner-in-Charge of the Market Conduct Examination of Oxford Health Plans NJ Inc., and Oxford Health Insurance, Inc., conducted by examiners of the New Jersey Department of Banking and Insurance. This verification is based on my personal knowledge as acquired in my official capacity.

The findings, conclusions and recommendations contained in the foregoing report represent, to the best of my knowledge, a full and true statement of the Market Conduct Examination of Oxford Health Plans NJ Inc., and Oxford Health Insurance, Inc., as of February 2, 2017.

I certify that the foregoing statements are true. I am aware that if any of the foregoing statements made by me is willfully false, I am subject to punishment.

March 8, 2017  
Date

Robert Greenfield  
Robert Greenfield  
Examiner in Charge  
New Jersey Department of Banking  
and Insurance