From: Smith, Nicoleta
Sent: Tuesday, March 20, 2007 8:41 AM
To: Stolls, David
Cc: Cignarale, Anthony; Masters,Robert; Wunsch, Carroll; Burger, Janet; Roy, Janelle
Subject: RE: Senator Questions Re: CSB-6237493, 6237494
Hi, Dave.

I placed the files in question on your desk. If Tony wants them he can find them there. I will await further instructions from you two. Thanks.

Nicoleta

-----Original Message-----
From: Stolls, David
Sent: Monday, March 19, 2007 10:41 PM
To: Roy, Janelle; Smith, Nicoleta
Cc: Cignarale, Anthony; Masters,Robert; Wunsch, Carroll; Burger, Janet
Subject: RE: Senator Questions Re: CSB-6237493, 6237494
Importance: High

Everyone - let's slow down. We will not be making any legislative recommendations to Senator Yee from our Bureau and we should not be doing any more than handling the individual complaints individually in accordance with our established procedures. At this time, we will not release any stats to Sen. Yee's office without going through the proper chain of command.

Bob's second paragraph to Carroll Wunsch is very much on point when he points out our needs to properly investigate.

Janelle and Bob - Please forward the involved files with all up to date correspondence to Tony, via me, with your recommendations.

Nicoleta - please hold off any discussion with the company until further direction.

Janet and Carroll - please hold off any further action till Tony and I have had a chance to review.

I will be back in the office Wed.. Unless Tony asks for files tomorrow (Tuesday), please have on my desk for review.

Sometimes there can be too many cooks in the kitchen that we may need to take a step back and be sure we are going in the right direction.

Thanks to all.

Dave

From: Roy, Janelle
Sent: Mon 3/19/2007 3:52 PM
To: Stolls, David; Smith, Nicoleta
Cc: Cignarale, Anthony; Masters,Robert; Wunsch, Carroll; Burger, Janet
Subject: FW: Senator Questions Re: CSB-6237493, 6237494

Dave and Nicoleta:

I have completed my review of both of these files.

It is fine with me if you, Nicoleta, want to discuss these files with the insurance company, our Ombudsman's office, or Senator Leland Yee's office. If you want me present during those discussions, I am more than happy to attend. However, I don't see the need right now as the subject matter pertains to Senator Yee's request for ideas/suggestions for new legislation.

Nicoleta: I will leave these files on your desk for your review.

Janet's message below states that she can discuss these cases on Wednesday.

My recommendation for any potential legislation on insurance company mergers is that everything must be checked and approved by the Department before the merger takes place. I would specifically request that the merging of both companies' computer systems be approved by a programmer hired or already employed by the Department of Insurance. Any changes or adjustments in Preferred Provider Organizations and/or the agreed upon PPO rates should be fully disclosed to the public and all contracted providers before the merger takes place, but after our approval on all fronts.

If Dr.Griffin or his representatives question the HCP laws and/or procedures, then I will need to take those calls.

If you have any questions, please let me know.

Janelle
X 6575

-----Original Message-----
From: Roy, Janelle
Sent: Friday, March 16, 2007 2:30 PM
To: Burger, Janet
Cc: Stolls, David; Smith, Nicoleta; Masters,Robert; Wunsch, Carroll; Cignarale, Anthony
Subject: RE: Senator Questions Re: CSB-6237493, 6237494

That's great, Janet. Thank you for letting us know.

Janelle

-----Original Message-----
From: Burger, Janet
Sent: Friday, March 16, 2007 11:27 AM
To: Roy, Janelle
Cc: Stolls, David; Smith, Nicoleta; Masters,Robert; Wunsch, Carroll; Cignarale, Anthony
Subject: RE: Senator Questions Re: CSB-6237493, 6237494

> Thanks. Carroll can tell Sen. Yee's office that you are working on it. They were primarily interested in whether you think the situation represents a legislative need. They have asked how many similar cases you have received and how widespread you think the impact of this merger (and similar mergers) is. We will look forward to talking with you. We will not be here on Tuesday, but Wednesday is soon enough.
>
> -----Original Message-----
> **From:** Roy, Janelle
> **Sent:** Friday, March 16, 2007 11:13 AM
> **To:** Burger, Janet
> **Cc:** Stolls, David; Smith, Nicoleta; Masters,Robert; Wunsch, Carroll; Cignarale, Anthony
> **Subject:** RE: Senator Questions Re: CSB-6237493, 6237494
> **Importance:** High

Hi Janet,

I received your voice mail message.

I have to review both of these cases. Then I will need to meet with both Bob and Nicoleta to gather more information and determine whether or not Nicoleta or I should handle this situation.

In addition, there is a lot more to this situation. Because of this, we have a lot of ground to cover before we can give you an answer for the Senator.

I anticipate we will have more information for you by Tuesday. If it turns out to be sooner, then either Nicoleta or I will contact you as soon as possible.

If the Senator's office wants an immediate response, you may want to advise them that we are investigating this issue and that because it is very involved, our investigation will take a few days.

Sincerely,

Janelle Roy
Supervising Insurance Compliance Officer
Claims Services Bureau
213-346-6575

-----Original Message-----
From: Masters,Robert
Sent: Thursday, March 15, 2007 6:58 PM
To: Wunsch, Carroll
Cc: Stolls, David; Roy, Janelle; Smith, Nicoleta
Subject: RE: Senator Questions Re: CSB-6237493, 6237494

Hi Carroll:

I have been tied up all day providing training. We have developed a task force to work on these post merger problems and have had a teleconference and two meetings with Pacificare representatives and the Corrective Action Team they have created for all post merger problems including provider contract issues which we have identified to date. This is a huge problem and we are trying to work with the company to get these problems all resolved. The project manager for our Pacificare corrective action team is Nicoleta Smith and I will have to consult with her, Dave Stolls and Janelle Roy before I can respond to your multiple requests. I can assure you we are working very seriously on the Pacificare problems. United Healthcare is the parent company and there are a lot of issues there also. You should be aware that most (probably 90%) of United HealthCare plans are not within our jurisdiction because they are self insured/self funded ERISA plans under the jurisdiction of the U.S Dept. of Labor.

I would like to point out that the letter you refer to dated 2/26/07 from Kim Griffin R.N. at Michael Griffin, M.D.'s offfice, objects to our standard procedures for filing provider complaint issues. These procedures are required for all providers. Dr. Griffin's complaint only provided information for three patient's, one of which has a self funded plan and is not under our jurisdiction. We created two complaints for the two patients whose information was created because that is the only information provided by Dr. Griffin. Ms. Griffin does not refer to the file #CSB 6237494 which resulted in Pacificare admitting to a mistake and reprocessing the claim for an additional adjustment payment. We did not advise the complainant that CSB

6237493 was resolved. Ms. Kim Griffin, RN states it is unreasonable for our Department to ask for details to be able to properly investigate all of their complaints. She states it would take hundreds of hours to fill out a complaint for each of these claims. Our Department absolutely needs the patients and the claims information from all providers to properly investigate these complaints.

Ms. Griffin states she provided a copy of her contract with the merged entity United Healthcare/Pacificare in her original complaint. The complaint we received has one page of a contract that is the signature page only. Dr. Griffin did not provide the entire copy of the contract and especially the portions that deal in contract rates for services. Dr. Griffin did not identify which specific part of the contract the company failed to comply with and did not provide a the amount that should have been paid and was not, or any calculations to support the complaint. We do not have copies of provider contracts or immediate access to Pacificare's claims processing system. We have to request information from the insurer and we need the asistance from the complainant to know what information to request. We need the providers to provide information to help us help them. We also need more providers to contact us with these issues and concerns.

We will do everything possible to assist you in responding to Senator Yee. Please advise what kind of time frame we are working with for your response.

Regards

Robert Masters
Senior Compliance Officer
Phone: (213) 346-6543
Fax: (213) 897-5891
mastersr@insurance.ca.gov

-----Original Message-----
From: Wunsch, Carroll
Sent: Thursday, March 15, 2007 1:45 PM
To: Masters,Robert
Cc: Roy, Janelle; Stolls, David
Subject: FW: Senator Questions Re: CSB-6237493, 6237494

Hi Robert ~

Subject: CSB-6237493, 6237494

Dr. Griffin has contacted Senator Leland Yee regarding the impact of the acquisition by United Healthcare of PacifiCare and other health plans in California. He claims that the reimbursement rates under United do not comply with the contracted rates under PacifiCare. He also claims that this is a problem that many providers are experiencing since the merger. You have a couple of complaints in your database under patient names, but I do not find a case under Dr. Griffin's name.

The senator's office has sent us the attached documents, which include a copy of a letter dated February 26, from Dr. Griffin to you reiterating this complaint. Do you plan to respond to this letter regarding the wide impact of the reimbursement practices following this merger?

Dr. Griffin has also complained to Yee regarding United's discontinuing its contract with Sequoia Direct Contract Network and reassigning patients to other physicians.

The senator is interested in whether legislation may be required to correct these practices. In particular, he is interested in how wide-spread is the impact on providers. Are you able to tell how many complaints CDI has received about the United/PacifiCare merger? How many complaints are about the reimbursement rates? How many providers are impacted? How many patient complaints have we had? In general, they are interested in any data we can give them regarding how serious a problem this case represents.

Can you help us develop our response to the senator's office?

Carroll Wunsch
California Department of Insurance
Office of the Ombudsman
300 Capitol Mall, Suite 1600
Sacramento, CA 95814
☎ *(916) 492-3575*
Fax (916) 445-6552
wunschc@insurance.ca.gov

-----Original Message-----
From: Burruto, David [mailto:David.Burruto@sen.ca.gov]
Sent: Tuesday, March 13, 2007 3:20 PM
To: Wunsch, Carroll
Subject: FW:

-----Original Message-----
From: Kim Griffin [mailto:pedihearts@sbcglobal.net]
Sent: Wednesday, March 07, 2007 4:24 PM
To: Burruto, David
Subject:

David, thank you for reviewing my complaint regarding United HealthCare/PacifiCare. I am also attaching a letter we received from PacifiCare today notifying physicians they are discontinuing their Sequoia Direct Contract Network. Patients will be reassigned to other physicians. This occured after open enrollment and patients/employees were not advised the network would be changing when they enrolled.

My contact at California Medical Association is Eileen Wetzel, Economics Bureou. They have an attorney working on this, but have not been able to resolve much. I can't find her phone number at present, but I do have her fax number: 916-551-2027.

Kim Griffin, RN
Children's Cardiology of the Bay Area
Phone: 650-558-8280
Fax: 650-558-8281
mykidsheart.com