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MO. DEPT. OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

TO: Humana Insurance Company
Humana Health Plan, LLC
PO Box 740336
Louisville, KY 40201-7436

JAN 24 REC'D

RE: Humana Insurance Company (NAIC #73288)
Humana Health Plan, LLC (NAIC #95885)
Missouri Market Conduct Investigation #11158-73288-LH

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and Humana Insurance Company (NAIC # 73288), (hereafter referred to as "Humana Insurance"), and Humana Health Plan, LLC (NAIC # 95885) (hereinafter referred to as "Humana Health") as follows:

WHEREAS, John M. Huff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "the Department"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri; and

WHEREAS, Humana Insurance and Humana Health have been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Investigation of Humana Insurance and Humana Health and prepared report number 11158-73288-LH; and

WHEREAS, the report of the Market Conduct Investigation revealed that:

1. In 1039 instances, during the period of 1/1/09 to 6/30/10, Humana Insurance and Humana Health requested refunds and offsets from health care providers more than twelve (12) months from the

date the claim was paid in violation of §376.384.1 (3) RSMo.

2. In two (2) instances, during the period of 1/1/09 to 6/30/10, in a data set specified as refunds and offsets requested within twelve (12) months from the date of claim payment, Humana Insurance and Humana Health requested the refunds and offsets from health care providers more than twelve (12) months from the claim payment date in violation of §376.384.1 (3) RSMo.

WHEREAS, Humana Insurance and Humana Health hereby agree to take remedial action bringing them into compliance with the statutes and regulations of Missouri and agree to maintain those corrective actions at all times, to reasonably assure that the errors noted in the above-referenced market conduct investigation report do not recur.

WHEREAS, Humana Insurance and Humana Health shall reimburse providers in the amount of $514,674.00 for refunds or offsets that were collected from providers more than twelve (12) months from the date the claim was paid, bearing in mind that an additional payment of nine per cent (9%) interest per annum is also required on each claim pursuant to §408.020 RSMo. Additionally, evidence must be provided to the Department that such payments have been made within 90 days after the date of the Order finalizing this investigation.

WHEREAS, Humana Insurance and Humana Health shall review all refunds and offsets from providers during the period from 1/1/09 to 6/30/10, that were designated in the Companies data set as requested from the provider within twelve (12) months from the date of payment, to determine if the refund or offset was actually requested more than twelve (12) months from the date the claim was paid. If any requests for refunds or offsets were made more than 1 year from the date the claim was paid, Humana Insurance and Humana Health will be required to reimburse providers for those refunds and offsets, bearing in mind that an additional payment of nine per cent (9%) interest per annum is also required on each claim pursuant to §408.020 RSMo. Additionally, evidence must be provided to the Department that such payments have been made within 90 days after the date of the Order finalizing this investigation.

WHEREAS, Humana Insurance and Humana Health shall review all refunds and offsets from providers for the period 7/1/10 to the date of the Order finalizing this investigation to determine if any refunds or offsets were requested from the provider more than twelve (12) months from the date the claim was paid. If any requests for refunds or offsets were made more than twelve (12) months from the date the claim was paid, Humana Insurance and Humana Health will be required to reimburse providers for those refunds and offsets, bearing in mind that an additional payment of nine per cent (9%) interest per annum is

also required on each claim pursuant to §408.020 RSMo, Additionally, evidence must be provided to the Department that such payments have been made within 90 days after the date of the Order finalizing this investigation.

WHEREAS, Humana Insurance Company and Humana Health Plan, Inc., after being advised by legal counsel, do hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Investigation; and

WHEREAS, Humana Insurance Company and Humana Health Plan, Inc., hereby agree to the imposition of the ORDER of the Director and as a result of the Market Conduct Investigation #11009-50020-PC further agree, voluntarily and knowingly to pay the reimbursement to provider required by this stipulation and to take the corrective actions required by this stipulation.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of Humana Insurance Company and Humana Health Plan, Inc. to transact business in the State of Missouri or the imposition of other sanctions, Humana Insurance Company and Humana Health Plan, Inc., do hereby voluntarily and knowingly waive all rights to any hearing, consent to the ORDER of the Director, consent to pay the reimbursement to the providers required by this stipulation, and consent to take the corrective actions required by this stipulation.

DATED: 3-1-2012

J. Gregory Catron, Vice President
Humana Insurance Company
Humana Health Plan, Inc.