

**STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
BUREAU OF INSURANCE**

IN RE:

Aetna Life Insurance Company  
NAIC Company Code: 60054  
Maine License No. LHF621

Aetna Health Inc. (A Maine Corporation)  
NAIC Company Code: 95517  
Maine License No. HMD45749

Docket No. INS-19-213

**CONSENT AGREEMENT  
AND ORDER**

Aetna Life Insurance Company and Aetna Health Inc. (a Maine Corporation) (collectively, "Aetna" or "the Company"), the Superintendent of the Maine Bureau of Insurance (the "Superintendent"), and the Office of the Maine Attorney General (the "Attorney General") hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without resort to an adjudicatory proceeding, violations of the Maine Insurance Code. As set forth in more detail below, a Maine Bureau of Insurance investigation has identified violations of the Maine Insurance Code related to Aetna's processing of claims involving routine newborn care.

**STATUTORY AUTHORITY**

1. Under 10 M.R.S. § 8003(5)(A-1) and 24-A M.R.S. § 12-A, the Superintendent may issue a warning, censure or reprimand to a licensee; may suspend, revoke or refuse to renew the license of a licensee; may impose conditions of probation on a licensee; may levy a civil penalty against a licensee; or may take any combination of such actions in response to the licensee's violation of any insurance law, rule, regulation, subpoena or order of the Superintendent.
2. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve an investigation without further proceedings by entering into a consent agreement with a licensee and with the consent of the Attorney General.

**STATEMENT OF FACTS**

3. The Superintendent is the State official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance ("the Bureau") is the administrative agency with such jurisdiction.

4. The Superintendent has jurisdiction over this matter pursuant to the powers set forth in the Insurance Code generally, as well as the specific provisions of 24-A M.R.S. §§ 12-A and 211 and 10 M.R.S. § 8003.
5. Aetna Life Insurance Company has been licensed in Maine as a foreign life and health insurance company since 1990 holding Maine Certificate of Authority number LHF621. Its NAIC Code is 60054 and it is domiciled in Connecticut.
6. Aetna Health Inc. (a Maine Corporation) has been licensed in Maine as a domestic health maintenance organization since 1996 holding Maine Certificate of Authority number HMD45749. Its NAIC Code is 95517 and it is domiciled in Maine.
7. The Bureau began an investigation into Aetna's processing of Maine routine newborn claims as the result of two (2) complaints filed by the same consumer.
8. In August of 2017, the consumer filed a complaint with the Bureau alleging that Aetna incorrectly processed claims relating to the birth of the consumer's child in May of 2016.
9. The complaint investigator found that Aetna had failed to treat the mother and newborn as one person when calculating cost-sharing for routine newborn services covered by section 2834-A of the Maine Insurance Code located in Title 24-A of the Maine Revised Statutes ("M.R.S.").
10. The Maine Insurance Code states that insurers<sup>1</sup> and health maintenance organizations<sup>2</sup> that issue contracts and certificates that provide "maternity benefits, including benefits for childbirth, shall provide coverage for services related to maternity and routine newborn care, including coverage for hospital stay, in accordance with the attending physician's or attending certified nurse midwife's determination in conjunction with the mother that the mother and newborn meet the criteria outlined in the 'Guidelines for Perinatal Care,' published by the American Academy of Pediatrics and the American College of Obstetrics and Gynecology."
11. 24-A M.R.S. § 2834-A and § 4234-B specify in relevant part that "[b]enefits for routine newborn care required by this section are part of the mother's benefit. The mother and newborn are treated as one person in calculating the deductible, coinsurance and copayments for coverage required by this section."
12. On September 6, 2017, Aetna acknowledged that it had incorrectly processed the routine newborn care claims that were the subject of the August 2017 complaint and adjusted them accordingly.

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<sup>1</sup> 24-A M.R.S. § 2834-A applies to group and blanket health insurance. While not implicated here, 24-A M.R.S. § 2743-A is the Code section that applies to individual policies.

<sup>2</sup> 24-A M.R.S. § 4234-B applies to health maintenance organizations.

13. In April of 2018, the same consumer filed a new complaint with the Bureau after noticing that Aetna had incorrectly processed the claims relating to the birth of the consumer's second child in December of 2017.
14. Aetna again acknowledged that it had incorrectly processed the routine newborn care claims and adjusted them accordingly.
15. In response to the Bureau's investigation into the matter, Aetna explained that the incorrect processing was due to a programming error.
16. On April 10, 2018, Aetna implemented new procedures to ensure that routine newborn care claims would be processed in accordance with Maine law.
17. Aetna began to rework the Maine claims that it had incorrectly processed and provided the Bureau with spreadsheets showing all impacted claims dating back to January 1, 2015.
18. Based on questions from the Bureau, Aetna implemented further changes to its systems in August of 2018 to ensure that they would capture professional fees and other medical services associated with births when paying claims for routine newborn care.
19. On April 4, 2019, Aetna submitted a final spreadsheet showing that it had reworked 3,117 claims related to 1,073 births from January 1, 2015 through August 18, 2018.
20. Aetna proactively issued refunds associated with all impacted claims. These refunds were sent to providers' offices from May 2018 through August 2018. The refunds totaled \$1,665,607.90.<sup>3</sup>

#### **VIOLATIONS OF LAW**

21. As set forth in paragraphs 8 through 20, Aetna violated 24-A M.R.S § 2834-A and § 4234-B of the Maine Insurance Code by failing to treat the mother and the newborn as one person for purposes of calculating the cost-sharing applicable to claims for routine newborn care services that should have been covered under the mother's policy.

#### **COVENANTS**

22. Aetna agrees to the Statement of Facts and Violations of Law stated above and agrees that such actions make it subject to disciplinary action.
23. Aetna accepts as disciplinary action the imposition of a civil penalty in the amount of one hundred and fifty thousand dollars (\$150,000). This penalty will be suspended, subject to the following conditions:

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<sup>3</sup> Aetna also paid an additional \$361,477.70 in interest.

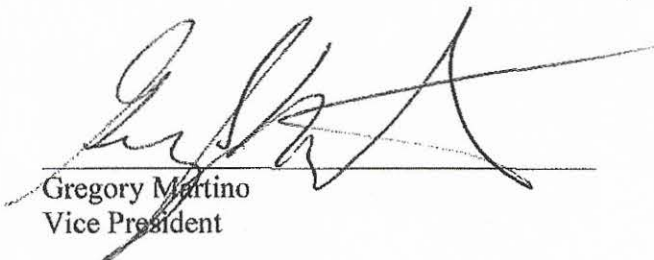
- a. The Bureau will conduct a subsequent review of routine newborn care claims processed during a one-year period, beginning on the effective date of this Consent Agreement, to determine whether Aetna continued to process these claims in compliance with Maine law.
  - b. If that review shows that Aetna has committed no further violation of the sections of law set forth in this Consent Agreement, the suspended penalty will be waived. If that review shows that Aetna has incorrectly processed claims relating to routine newborn care, the suspended penalty may be imposed.
  - c. The Superintendent's decision to impose all or part of the suspended penalty under Paragraph 25(b) will be in his sole and absolute discretion. In exercising that discretion, the Superintendent may take into account the nature and quantity of any Aetna violations of the sections of law set forth in this Agreement relating to the conduct described in paragraphs 8-20.
24. Aetna shall continue to take all necessary steps to ensure that its processing of routine newborn care claims remains in compliance with Maine law and shall continue to cooperate with all Bureau requests for information relating to its processing of these claims.
  25. The parties to this Consent Agreement understand that nothing herein shall affect any right or interest which any person not a party to this Agreement may possess.
  26. This Consent Agreement is not subject to appeal. Aetna waives any right it might have to appeal any matter that is a subject of this Consent Agreement.
  27. This Consent Agreement constitutes an Order of the Superintendent. A violation of its terms is enforceable by the Superintendent pursuant to 24-A M.R.S. §§ 12-A and 211.
  28. This Consent Agreement is also enforceable by an action in Maine Superior Court pursuant to 24-A M.R.S. § 214, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138.
  29. The effective date of this Consent Agreement is the date of the Superintendent's signature.
  30. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. Any decision to modify, continue or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.
  31. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access Act. It will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A, and it will be reported to the National Association of Insurance Commissioners' (NAIC) Regulatory Information Retrieval System (RIRS) database.

32. By the duly-authorized signature of its representative on this Consent Agreement, Aetna warrants that it has consulted with counsel before signing the Consent Agreement or has knowingly and voluntarily decided to proceed in this matter without consulting counsel, that it understands this Consent Agreement, and that it enters into the Consent Agreement voluntarily and without coercion of any kind from any person.
  
33. In return for Aetna's execution of and compliance with the terms of this Consent Agreement, the Superintendent and the Attorney General agree to forego pursuing further disciplinary measures or other civil or administrative sanctions arising under the Maine Insurance Code for the specific conduct described in this Consent Agreement, other than those sanctions agreed to herein. However, should Aetna fail to comply with or violate this Consent Agreement, it may be subject to any available remedy under the law for such a failure or violation.

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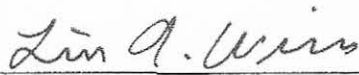
**AETNA LIFE INSURANCE COMPANY  
AETNA HEALTH INC. (A MAINE CORPORATION)**

Dated: June 27, 2019

  
\_\_\_\_\_  
Gregory Martino  
Vice President


**FOR THE OFFICE OF THE ATTORNEY GENERAL**

Dated: July 3, 2019

  
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Lisa A. Wilson  
Assistant Attorney General

**THE SUPERINTENDENT OF THE MAINE BUREAU OF INSURANCE**

Dated: July 15, 2019

  
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Eric A. Cioppa  
Superintendent